Chapter 5 – Procurement

Recipient Checklist

No project funds, CDBG or non-CDBG, can be obligated or expended without the proper environmental clearance completed.

1. State has reviewed and approved all solicitations, contracts and agreements 10 days prior to advertisement or execution.
   - Grant administration
   - Subgrant Agreement
   - Program Management
   - Engineering/architectural
   - Appraisal Services
   - Construction
   - Other: ________________________________________________

2. The scope of work for each Invitation to Bid, Request for Proposal, Contract or agreement is consistent with the grant contract.

3. Recipient has received legal council review of all solicitations, contracts or agreements prior to advertisement or execution to assure compliance with State law and grant contract requirements.

4. All contracts/agreements are a firm fixed price, with not to exceed language, including direct reimbursables. (Note – Cost + a percentage of cost, or percentage of construction costs methods may not be used.)

5. Solicitations, contracts or agreements contain all required federal clauses.
   a. Invitation to Bid, Request for Proposal/Qualification or other solicitations
      - Source of Funds Clause
   b. Non-Construction Contracts – CDBG grant is less than $100,000
      - Source of Funds Clause
      - Conflict of Interest Clause
      - Minority, Women and Emerging Small Business (Applies only if contract price exceeds $10,000)
   c. Non – Construction Contracts – CDBG grant exceeds $100,000
      - Source of Funds Clause
      - Conflict of Interest Clause
d. **Construction Contracts**
   - Source of Funds Clause
   - Conflict of Interest Clause
   - Minority, Women and Emerging Small Business (Applies only if contract price exceeds $10,000)
   - Lead-Based Paint Clause (residential construction or rehabilitation)
   - Section 3 Clause
   - Lobbying Certification

   For contracts/subcontracts over $2,000 (except residential)
   - Federal Labor Standards Provisions HUD 4010 (Exhibit 6A)
   - Davis Bacon Wage Rates: OR___________ Mod No. ____

e. **Plans and Specifications**
   - Source of Funds Clause

   6. 10 days prior to construction bid opening recipient called OBDD to “Lock-In” the applicable Davis Bacon Wage Modification applicable to the project.

   OR_________________________ Mod No _______ Date ____________

   7. Recipient has checked the Excluded Parties List (EPLS) for every service to be procured prior to entering into any agreements using the System Award Management (SAM) web site.

   8. The recipient submitted an OBDD review Section 3 plan prior to the first draw for non-construction activities.
Procurement, MBE/WBE and Section 3 Requirements

Basic Federal Requirement

When procuring property or services to be paid for in whole or in part with Community Development Block Grant funds, the state shall follow its procurement policies and procedures. The state shall establish requirements for procurement policies and procedures for units of general local government, based on full and open competition. Methods of procurement (e.g., small purchase, sealed bids/formal advertising, competitive proposals, and noncompetitive proposals) and their applicability shall be specified by the state. Cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used. The policies and procedures shall also include standards of conduct governing employees engaged in the award or administration of contracts. The state shall ensure that all purchase orders and contracts include any clauses required by Federal statutes, executive orders and implementing regulations. Procurement standards can be found at 24 CFR Part 570.489(g).

State Law

Recipients shall comply with state procurement law when purchasing goods and services. The provisions are included in the Oregon Revised Statutes (ORS), Oregon Administrative Rules (OAR), and the Oregon Attorney General’s Model Public Contract Rules. Links to applicable codes and rules may be found at http://egov.oregon.gov/DAS/SSD/SPO/ors279-menu.shtml,

ORS Chapter 279 (http://www.leg.state.or.us/ors/279.html)
Oregon Administrative Rules (http://arcweb.sos.state.or.us/banners/rules.htm)
Oregon Attorney General Model Rules:

Chapter 137, Division 046 – General Provisions Relating to Public Contracting
http://arcweb.sos.state.or.us/rules/OARS_100/OAR_137/137_046.html

Chapter 137 Division 047 - Public Procurement for Goods and Services
http://arcweb.sos.state.or.us/rules/OARS_100/OAR_137/137_047.html

Chapter 137 Division 048 - Screening and Selection Procedures for the award of Architectural and Engineering Related Personal Service Contracts
http://arcweb.sos.state.or.us/rules/OARS_100/OAR_137/137_048.html

Chapter 137, Division 049 - General Provisions Related To Public Contracts For Construction Services
http://arcweb.sos.state.or.us/rules/OARS_100/OAR_137/137_049.html

Local Responsibility

Recipients are responsible for ensuring that purchases made with grant funds comply with state law. Cities and Counties can purchase a copy of the Attorney General’s Model Public Contract Rules Manual by calling 503-378-2992 x 325 or writing the Department of Justice at Administrative Services, 550 Justice Building,
Chapter 5 – Procurement & Section 3

Salem, OR 97310. This manual includes all referenced provisions and statutes identified in this chapter.

Legal Counsel Review

It is recommended that all contracts for goods and services to be paid for in whole or in part with Community Development Block Grant funds be reviewed by the recipient’s attorney, prior to execution. Questions about state procurement and contracting laws are to be handled by the recipient’s attorney. State staff will not interpret state law for recipients. Appeals of contracting and purchase decisions shall be resolved at the local level by the contract review board or administratively under consultation of recipient’s attorney. The information contained in this Grant Management Handbook, is for guidance to achieve compliance, but the recipient shall rely on their legal council for determination of compliance with local and State procurement requirements.

Environmental Compliance

A Recipient may not commit or expend funds on any activity in an Oregon Community Development Block Grant project before environmental review is complete and, when applicable, the approval of the Request for Release of Funds (RROF) by the state. Refer to Chapter 3 for more information.

Documentation of Compliance with Procurement Laws

To determine compliance with State law, the recipient must be able to provide documentation from their legal council showing that the procurement for each contract met, local procurement requirements, state procurements requirements and the grant contract requirements. The recipient must keep complete written records for each procurement including but not limited to: solicitation procedures, copies of submitted quotes, bids and proposals, justification for selection and cost of award.

Competitive Bids

All public contracts funded in whole or in part with Community Development Block Grant funds shall be based upon competitive bids or proposals except those listed in ORS 279.015, competitive bidding exceptions and exemptions. These include, but are not limited to:

- Contracts or other agreements with other units of local government or public agencies. Public agencies include Councils of Governments or other associations or consortia formed under state law, public housing authorities, and water and sewer districts. The following types of organizations are not public agencies: community development corporations, community action programs and certified development corporations.

- Contracts or other agreements that the local contract review board exempts after finding that the exemption will not encourage favoritism or substantially diminish competition and that it will result in substantial cost savings.
Procurements for goods and services, including personal Services Contracts, except architectural, engineering, land surveying and related services must comply with OAR 137-047. As allowed by this rule, local contracting agencies may adopt the division 47 rules to govern procurement of personal services contracts or elect to award personal services contracts under procedures set forth under ORS 279B.055.

Under the authority of ORS 279b, OAR 137-047 found at the following web link [http://arcweb.sos.state.or.us/rules/OARS_100/OAR_137/137_047.html](http://arcweb.sos.state.or.us/rules/OARS_100/OAR_137/137_047.html) allows the following types of procurements:

- Small Procurements – Contract price does not exceed $5,000.
- Intermediate Procurements – Contract price exceeds $5,000 but is less than $150,000. Receipt of informally solicited competitive quotes, bids or proposals.
- Formal Procurements – Contract price exceeds $150,000. – Formal solicitation of the Invitation to Bid or Request for Proposals with competitive sealed bidding, proposal submission.
- Sole Source Procurements – as allowed by ORS 279b.075
- Emergency - as allowed by ORS 279b.080
- Special Procurements – as allowed by ORS 279b.085

Local procurement records must provide justification for the contractor’s selection and the basis for the cost negotiated.

Procurement of accounting, attorney and private grant administrators (not governmental such as Council of Governments) shall comply with the provisions in OAR 137-047. ([http://arcweb.sos.state.or.us/rules/OARS_100/OAR_137/137_047.html](http://arcweb.sos.state.or.us/rules/OARS_100/OAR_137/137_047.html)).


OAR 137-048 found at the following web link [http://arcweb.sos.state.or.us/rules/OARS_100/OAR_137/137_048.html](http://arcweb.sos.state.or.us/rules/OARS_100/OAR_137/137_048.html) allows the following types of procurements:

- Direct Appointment – Emergency projects or contracts with a small fee not to exceed $25,000.
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Use of Engineer of Record or other prior Engineering Agreements

When a Recipient desires to use an existing engineer of record or any other previous engineering procurement to complete the services required for the newly funded CDBG grant, they must first provide a letter from their legal counsel stating that the prior procurement meets the requirements of current state law, the CDBG program requirements, and the recipient’s procurement policies. A copy of the Recipient’s legal counsel’s letter must be submitted to OBDD for review and approval.

If the Recipient’s legal counsel review indicates that the prior procurement meets the legal requirements referenced above, the following requirements must be met:

1) Any engineer of record agreement, or previous engineering agreement that meets federal and state law, as evidenced by the legal counsel review, must be amended to include the scope of work for the CDBG funded project, the not to exceed contract price, and the required federal clauses.

2) The draft engineering agreement amendment must be reviewed and approved by OBDD before it is executed.

3) The amendment cannot be executed until the proper environmental clearance has been completed and the grant contract between OBDD and the Recipient has been executed.

Public Construction Contracts

Procurement of publicly owned construction projects must comply with the requirements of OAR 137-049.

Under the authority of ORS 279a, OAR 137-049 found at the following web link [http://arcweb.sos.state.or.us/rules/OARS_100/OAR_137/137_049.html](http://arcweb.sos.state.or.us/rules/OARS_100/OAR_137/137_049.html) allows the following types of procurements:

- Emergency
- Intermediate Procurement – Contract price does not exceed $100,000. Receipt of informally solicited competitive quotes or bids.
- Formal Procurement – Contract price exceeds $100,000. Formal solicitation of the Invitation to Bid with competitive sealed bidding.

House Bill 2021 enacted during the 2007 Assembly of the Oregon Legislature makes a public agency liable for any wages, fringe benefits, and liquidated damages
Bid Opening Dates

Under the authority of OAR 137-049-0360 (2)(a) the bid closing shall be set on a Tuesday, Wednesday or Thursday and at a time between 2 p.m. and 5 p.m. Refer to [http://arcweb.sos.state.or.us/rules/OARS_100/OAR_137/137_049.html](http://arcweb.sos.state.or.us/rules/OARS_100/OAR_137/137_049.html) for more information.

Procurement of Real Property

The purchase of real property, including easements (permanent or temporary), property donations and leases in excess of 50 years, are not covered by state procurement law. Federal rules apply to the acquisition of real property, easements (permanent or temporary), property donations and leases in excess of 50 years in projects funded in whole or in part with Community Development Block Grant funds. If property, easements or leases in excess of 50 years are acquired or donated without following the federal rules, the state must require that the process be redone – even when no Community Development Block Grant funds were used for the acquisition. **Always discuss property acquisition with a Regional Coordinator before negotiating with any property owner.** Chapter 8 contains more information about these requirements.

Contract Pricing

“Cost plus a percentage of cost” and “percentage of construction costs” methods of contracting are **not** allowed. For example, an engineer cannot be paid fifteen percent of the project construction costs. The contract must identify a firm fixed price or “not to exceed amount” that includes direct reimbursable expenses.

Conflict of Interest

Federal regulations at 24 CFR Part 570.489(h) apply to the procurement of supplies, equipment, construction and services. The regulations generally prohibit an employee, agent, consultant, officer or elected official or appointed official of the grant recipient from receiving any financial interest or benefit from the grant project. The prohibition also applies to family or business ties. Exceptions are possible with state and federal approval. **Exhibit 5A** includes the entire text of the applicable federal regulation.

Non-Collusion Requirement

If a grant recipient receives low bids that are equal in value, the grant recipient must have each bidder complete a non-collusion certification to comply with 24 CFR Part 85 and 24 CFR Part 570.489. The recipient’s legal council will need to assist the recipient with the necessary language. The executed non-collusion certifications from the low bidders of equal value must be received before any final decisions are made by the grant recipient on awarding of the construction contract.

Standards of Conduct

The Oregon Government Standards and Practices laws in ORS Chapter 244 also apply to the procurement of supplies, equipment, construction and services, to be paid for in whole or in part with grant funds. Information about these laws is provided.
Opportunities for Minority, Women and Emerging Small Business

OFF-SITE INFRASTRUCTURE FOR NEW AFFORDABLE HOUSING AND HOUSING REHABILITATION PROJECTS –

Section 281 of the National Housing Act federal funding recipients to establish and oversee a minority outreach program. The program shall include minority and women-owned businesses in all contracting activities entered into by the recipient to facilitate the provision of affordable housing. Under Oregon’s CDBG program the only two project types that facilitate affordable housing are the off-site infrastructure for new affordable housing and the housing rehabilitation program. These two project types must meet the minimum acceptable outreach efforts/STANDARDS to minority and women-owned businesses:

- A good faith, comprehensive and continuing endeavor:
- The Small Business Administration in conjunction with other federal agencies maintains a database/registry of small businesses that has been found to be useful in identifying DBE firms. Documenting the information obtained and DBE’s identified from this website supports a good faith effort. The website can be accessed at www.ccr.gov then go to “search CCR” and click yes to proceed through the security notice.
- Supported by a statement of public policy and commitment published in the printed media of the widest local circulation;
- Supported by an office/or a key, ranking staff person with oversight responsibilities and access to the chief elected official; and
- Designed to utilize all available and appropriate public and private sector resources.

Under the minimum HUD standards cited above, off-site infrastructure for new affordable housing and the housing rehabilitation recipients are encouraged to use the following GUIDELINES in implementing outreach programs to ensure the inclusion to the maximum extent feasible, of entities owned by minorities and women:

available in a manual entitled Oregon Government Standards and Practices Laws – A Guide for Public Officials from the Oregon Government Standards and Practices Commission. All their forms and publications are available at http://www.oregon.gov/GSPC/forms_publications.shtml or may be requested from commission staff at (503) 378-5105 or gspc.mail@state.or.us.
Develop a systematic method for identifying and maintaining an inventory of certified minority and women business enterprises (MBE/WBE), their capabilities, services, supplies and or other products;

Utilize local media, electronic and print, to market and promote contract and business opportunities for MBE’s and WBE’s’

Develop informational and documentary materials (fact sheets, program guides, procurement forecasts, etc.) an contract/subcontract opportunities for MBE’s and WBE’s;

Develop procurement procedures that facilitate opportunities for MBE’s and WBE’s to participate as vendors and suppliers of goods and services;

Sponsor business opportunity-related meetings, conferences, seminars, etc. with minority and women business organizations; and

Maintain centralized records with statistical data on the utilization and participation of MBE’s and WBE’s as contractors/subcontractors in all HUD assisted program contracting activities.

Each affected recipient utilizing the standards and guidelines listed above, shall prescribe procedures and actions it will undertake in implementing a minority and women’s business enterprise outreach program. The above items represent basic outreach-related activities are not all-inclusive actions a recipient may undertake.

ALL OTHER PROJECT TYPES

The state encourages recipients of ALL other CDBG grants to take affirmative steps to use small firms, minority-owned firms and women-owned firms in grant-funded projects. There are no minimum requirements. Specific activities are at the discretion of the recipient. Such activities may include, but are not limited to:

- Accessing the on-line directory at http://www4.cbs.state.or.us/ex/dir/omwesb/ from the Office of Minority, Women and Emerging Small Business which can be used to find firms to send bid information to. You may also contact them for more information at (503) 986-0075;

- Incorporating such businesses in solicitation lists whenever they are potential sources;

- Ensuring that such businesses are solicited when identified as potential resources;

- Dividing procurement requirements, when economically feasible, to permit maximum participation of such businesses; and
• Requiring prime contractors, when subcontracts are let, to take affirmative steps to select such firms.

• Mailing Advertisements for Bid, Request for Qualifications etc. to:
  Governor’s Advocate’s Office
  Minority, Women & Emerging Small Business
  155 Cottage Street NE – 2nd Floor
  Salem, OR 97301
  Phone: (503)-378-3506 Fax: (503)-378-3139 TTY: (503)-378-4859

Before the final drawdown of grant funds will be released by the Department for each grant project, recipients are required to submit a “Minority, Women and Emerging Small Business Activity Report.” The state will use these reports to complete the annual Minority Business Enterprises Contract and Subcontract Activity report as required by Executive Orders 12432 and 11625. Exhibit 5B of this handbook contains a copy of the report to be used by the recipients. This form must be completed for all contracts and subcontract activities of $10,000 or more.

Homeowners and owners of rental property who are using Community Development Block Grant funds loaned or granted to them for rehabilitation are not covered by the federal and state procurement requirements. This does not mean that such contracts also are exempt from other federal and state rules.

Recipients are responsible for ensuring that these private contracts are only for eligible activities, that the costs are reasonable, and that the project approved by the state will be completed. A recipient may require private parties to include some public contracting procurement requirements such as performance bonding, in their construction contracts.

### State Rules for Contracts

Recipients shall comply with ORS 279, 279A 279B, and 279C. See Chapter 6 for information on Labor Standards.

### State Review of Procurement Documents and Contracts

All procurement documents, including any solicitation, Invitations to Bid, Requests for Qualifications (RFQ), Requests for Proposals (RFP) for and including all construction documents, construction contracts, grant administration contracts, engineering/architectural agreements, intergovernmental agreements, subgrants, amendments to any document etc., **must be submitted to the department for review and approval at least (10) ten days before it is anticipated to be advertised, distributed or executed by the recipient.** This review is necessary to ensure that all these documents contain the required federal clauses and are consistent with the approved grant contract. The recipient’s attorney should review all procurement-related documents for compliance with state laws as well as any local procurement policies the recipient may have.

### Contractor

Federal regulations require verification of general (prime) contractor eligibility. To be “eligible” a contractor must not be listed on the “List of Parties Excluded from
Eligibility Verification (SAM)

Federal Procurement and Non-procurement Programs” published by the General Services Administration. The list was previously referred to as the “Excluded Parties List” or EPLS. Effective in 2012, the list has moved to the System Award Management (SAM) web site. Recipients must call their Regional Coordinator at the Department to clear the general contractor before awarding the construction contract. Department staff will check the System Award Management (SAM) web site and document it in the project file. Recipients can view the List by using the following Internet address: www.sam.gov

SAM Check for Professional Services

The Office of Management and Budget (OMB) Circular A-87, requires all persons hired to complete activities funded in whole or in part with Federal funds be checked for eligibility to perform work under a Federally funded project. This requires the grant recipient to check the EPLS system for every professional service such as a grant administrator, engineer/architect, program manager, non-profit sub recipient etc. The grant recipient must retain evidence of this check in their project files and the check must be completed before any agreement is executed between the parties. Refer to the SAM web link above to access the List.

Section 3 Requirements

SECTION 3 REQUIREMENTS – Economic Opportunities for Low and Very Low Income Persons

Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) (Section 3) requires grant recipients of $200,000 or more of CDBG funds must enforce the section 3 requirements in all construction contracts of $100,000 or more, to ensure that employment and other economic and business opportunities generated by the Department of Housing and Urban Development (HUD) financial assistance, to the greatest extent feasible, are directed to public housing residents and other low-income persons, particularly recipients of government housing assistance, and business concerns that provide economic opportunities to low- and very-low income persons.

OBDD’s receipt of the annual non-entitlement CDBG allocation, which is in excess of $200,000 triggers the Section 3 requirements for all city/county CDBG grant recipients, entering into contracts of $100,000 or more for any construction activity, or any non-construction activity that leads to construction, such as engineering, architectural, program management work etc. As such the Section 3 requirements apply to the following under OBDD-IFA’s CDBG program:

a. All public works planning, design and/or construction grants;
b. All public/community facility design and construction grants;
c. All economic development revolving loan fund grants, if the loan funds are anticipated to be used for construction activities that will exceed $100,000 per loan or if any construction contractor which has an aggregate of $100,000 of construction contracts funded with CDBG loan funds; and
Chapter 5 – Procurement & Section 3

Annual HUD 60002 Form Submission & Section 3 Plan

d. All housing rehabilitation revolving loan fund grants. Under the housing rehabilitation category, this will also apply to any construction contractor which has an aggregate of $100,000 of individual housing rehabilitation construction contracts under the CDBG grant.

To comply with the Section 3 requirements, with the exception of the microenterprise assistance and regional housing center grant recipients, all CDBG grant recipients are required to submit:

1) An annual HUD 60002 form by no later than January 31 of each year to OBDD-IFA. The reporting period is January 1 – December 31 of each year;
2) A final HUD 60002 form at the completion of the project covering any information that was not previously reported on the most recent annual submission; and
3) A Section 3 Plan prior to the first draw of non-construction funds.

A copy of the HUD-60002 form can be downloaded from the Internet at this address http://www.hud.gov/offices/fheo/section3/section3.cfm and is included as Exhibit 5C of this handbook.

Completing the HUD 60002 Form

If HUD 60002 form being prepared for submission to OBDD includes any “0”s in Part I of Part II of the form, the grant recipient must document the Section 3 outreach efforts that were implemented and why those efforts failed to produce the desired results.

In Part III of the form, grant recipients must document all efforts to employ Section 3 residents and business concerns. These efforts must be beyond the grant recipient’s normal advertising efforts.

Section 3 Annual Summary Reports are intended to measure each recipient’s efforts to comply with the statutory and regulatory requirements of Section 3 in its own operations AND those of its covered contractors, subcontractors, and subrecipients/sub-grantees, including non-construction contracts, if the funded activities will lead to a future construction project. Each submission of form HUD-60002 should indicate the following:
- The total dollar amount of HUD funding that was received by the recipient for covered projects/activities during the specified reporting period.
- The total number of new employees that were hired by the recipient and/or its covered construction or non-construction contractors, subcontractors, and subrecipients/sub-grantees, as a result of performing or completing covered project/activities.
- The number of new employees that were hired by the recipient (or its covered or non-construction contractors, subcontractors, and subrecipients/sub-grantees), as a result of covered projects/activities, that met the definition of a Section 3 resident.
- The total number of man hours worked on covered projects (optional).
- The aggregate number of hours worked by Section 3 residents on covered projects (optional).
- The total number of Section 3 residents that participated in training opportunities that were made available by the recipient or its covered non-construction contractors, construction contractors, subrecipients/sub-grantees, or other local community resource agencies.
- The total dollar amount of construction and/or non-construction contracts (or subcontracts) that were awarded with covered funding.
- The dollar amount of the recipient’s construction or non-construction contracts (or subcontracts) that were awarded to Section 3 business concerns.
- Detailed narrative descriptions of the specific actions that were taken by the recipient (or its covered contractors, subcontractors, subrecipients, or other non-construction contractors) to comply with the requirements of Section 3 and/or meet the minimum numerical goals for employment and contracting opportunities.
The Section 3 Plan

Grant Recipients must make a special effort to recruit, target and to direct economic opportunities to Section 3 residents and business concerns by advertising and soliciting procurement contracts and employment opportunities to Section 3 residents and business concerns. This advertising and soliciting effort must be beyond the normal advertisement conducted the city or county.

The regulation requires the state to meet the following numeric goals/requirements, which must be passed down from the state to the CDBG grant Recipients:

- 30% of the aggregate number of NEW hires shall be section 3 residents;
- 10% of the total dollar amount of all covered construction contracts shall be awarded to Section 3 business concerns; and
- 3% of the total dollar amount of all covered non-construction contracts shall be awarded to Section 3 business concerns.

Note: A Section 3 resident must meet the minimum qualifications of the position to be filled and a Section 3 business concern must have the ability and capability to perform successfully under the terms and conditions of the proposed contract.

Exhibit 2G and Exhibit 5H contain an example Section 3 plan.

Section 3 Residents

- Residents of Public Housing and Indian Housing; or
- Individuals that reside in the metropolitan area or nonmetropolitan county in which the Section 3 covered assistance is expended and whose income do not exceed the local HUD income limits set forth for low-or very low-income households.

Section 3 Business Concerns

- Businesses that are 51 percent or more owned by Section 3 residents;
- Businesses whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the firm were Section 3 residents; or
- Businesses that provide evidence of a commitment to subcontract in excess of 25 percent of the dollar amount of all subcontracts to be awarded to businesses that meet the qualifications described above.

In accordance with the regulation, residents and businesses concerns seeking Section 3 preference shall certify, or submit evidence to the recipient, contractor, subcontractor or subrecipient/sub-grantee or other non-construction contractor (if requested) verifying that they meet the definitions provided above.
Recipients can use their discretion for determining the type of verification that is required by prospective Section 3 residents and business concerns. Some examples include: proof of residency in a public housing authority; proof of federal subsidies for housing, food stamps, or unemployment benefits; and payroll data or other relevant business information.

Each recipient (and their covered (construction and non-construction) contractors, subcontractors, sub-recipients or sub-grantees) are required to comply with the requirements of Section 3 for new employment, training, or contracting opportunities resulting from the expenditure of covered funding. This responsibility includes:

1. Implementing procedures to notify Section 3 residents and business concerns about training, employment, and contracting opportunities generated by Section 3 covered assistance;

2. Notifying potential contractors working on Section 3 covered projects of their responsibilities;

3. Incorporating the Section 3 Clause into all covered solicitations and contracts [see 24 CFR Part 135.38];

4. Facilitating the training and employment of Section 3 residents and the award of contracts to Section 3 business concerns;

5. Assisting and actively cooperating with the Department in making contractors and subcontractors comply;

6. Refraining from entering into contracts with contractors that are in violation of Section 3 regulations;

7. Documenting actions taken to comply with Section 3; and

8. Submitting Section 3 Annual Summary Reports (form HUD-60002) in accordance with 24 CFR Part 135.90.
9. Adopting and implementing a Section 3 plan prior to the first draw of non-construction funds.

In addition to the responsibilities described above, grant recipients that sub-grant CDBG funds to non-profit subrecipients/sub-grantees must attempt to reach the minimum numerical goals set forth at 24 CFR Part 135.30, regardless of the number of subrecipients that receive covered funding. Grant recipient must ensure that the non-profit subrecipient/sub-grantee meet the grant recipients Section 3 Plan requirements. The grant recipient must:

- Inform subrecipients/subgrantees about the requirements of recipients Section 3 Plan;
- Assist subrecipients/subgrantees and their contractors with achieving compliance;
- Monitor subrecipients/subgrantees performance with respect to meeting the requirements of Section 3; and
- Report to OBDD on the cumulative Section 3 activities taking place within their jurisdiction on an annual basis.

Section 3 Clause - Refer to Exhibit 5F for the clause.

Exhibit 5G, contains the following examples:

- Efforts to Offer Training Employment Opportunities to Section 3 Residents
- Efforts to Award Construction Contracts to Section 3 Business Concerns
- Procurement Procedures that Provide for Preference to Section 3 Business Concerns

Exhibit 5H, contains an example Section 3 Plan

The clauses required by the federal rules are determined by the dollar amount of the grant awarded to the recipient and the type of contract:

Non-Construction Contract & grant award does not exceed $100,000 – Exhibit 5D
Non-Construction Contract & grant award exceeds $100,000 – Exhibit 5E
All construction contracts – Exhibit 5F
Conflict of Interest

The following text is from the federal rules for the state Community Development Block Grant program at 24 Code of Federal Regulations Part 570.489(h).

Conflict of interest.

(1) Applicability.

(i) In the procurement of supplies, equipment, construction, and services by the States, units of local general governments, and sub recipients, the conflict of interest provisions in paragraph (g)*of this section shall apply.

(ii) In all cases not governed by paragraph (g)*of this section, this paragraph (h) shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance with CDBG funds by the unit of general local government or its sub recipients, to individuals, businesses and other private entities.

(2) Conflicts prohibited.

Except for eligible administrative or personnel costs, the general rule is that no persons described in paragraph (h)(3) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this subpart or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest or benefit from the activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds there under, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

(3) Persons covered.

The conflict of interest provisions for paragraph (h)(2) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the state, or of a unit of general local government, or of any designated public agencies, or sub recipients which are receiving CDBG funds.

(4) Exceptions: Thresholds requirements.

Upon written request by the State, an exception to the provisions of paragraph (h)(2) of this section involving an employee, agent, consultant, officer, or elected official or appointed official of the state may be granted by HUD on a case-by-case basis. In all other cases, the state may grant such an exception upon written request of the unit of general local government provided the state shall fully document its determination in compliance with all requirements of paragraph (h)(4) of this section including the state's position with respect to each factor at paragraph (h)(5) of this section and such documentation shall be available for review by the public and by HUD. An exception may be granted after it is determined that
such an exception will serve to further the purpose of the Act and the effective and efficient administration of the program or project of the state or unit of general local government as appropriate. An exception may be considered only after the state or unit of general local government, as appropriate, has provided the following:

(i) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(ii) An opinion of the attorney for the state or the unit of general local government, as appropriate, that the interest for which the exception is sought would not violate state or local law.

(5) Factors to be considered for exceptions.

In determining whether to grant a requested exception after the requirements of paragraph (h)(4) of this section have been satisfactorily met, the cumulative effect of the following factors, where applicable, shall be considered:

(i) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project, which would otherwise not be available;

(ii) Whether an opportunity was provided for open competitive bidding or negotiation;

(iii) Whether the person affected is a member of a group or class of low or moderate income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(iv) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted activity in question;

(v) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (h)(3) of this section;

(vi) Whether undue hardship will result either to the State or the unit of general local government or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(vii) Any other relevant considerations.
Minority, Women and Emerging Small Business Activity Report

The report on the following page is to be completed by grantees, developers, sponsors, builders, agencies, and/or project owners for reporting contract and subcontract activities of $10,000 or more under the following programs: Community Development Block Grants (entitlement and small cities); Urban Development Action Grants; Housing Development Grants; Multi-family Insured and Noninsured; Public and Indian Housing Authorities; and contracts entered into by recipients of CDBG rehabilitation assistance.

Contracts/subcontracts of less than $10,000 need be reported only if such contracts represent a significant portion of your total contracting activity. Include only contracts executed during this reporting period.

This form has been modified to capture Section 3 contract data in columns 7g and 7i. Section 3 requires that the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. Recipients using this form to report Section 3 contract data must also use Part I of form HUD-60002 to report employment and training opportunities data. Form HUD-2516 is to be completed for public and Indian housing and most community development programs. Form HUD-60002 is to be completed by all other HUD programs including State administered community development programs covered under Section 3.

A Section 3 contractor/subcontractor is a business concern that provides economic opportunities to low- and very low-income residents of the metropolitan area (or non-metropolitan county), including a business concern that is 51 percent or more owned by low- or very low-income residents; employs a substantial number of low- or very low-income residents; or provides subcontracting or business development opportunities to businesses owned by low- or very low-income residents. Low- and very low-income residents include participants in Youthbuild programs established under Subtitle D of Title IV of the Cranston-Gonzalez National Affordable Housing Act.

The terms “low-income persons” and “very low-income persons” have the same meanings given the terms in section 3(b)(2) of the United States Housing Act of 1937. Low-income persons mean families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary’s findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families. Very low-income persons means low-income families (including single persons) whose incomes do not exceed 50 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary’s findings that such variations are necessary because of unusually high or low family incomes.
Exhibit 5B (2013) – Minority, Women and Emerging Small Business Activity Report

<table>
<thead>
<tr>
<th>1. Grantee/Project Owner/Developer/Sponsor/Builder/Agency</th>
<th>2. Location (City, State, ZIP Code)</th>
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<tr>
<td>3a. Name of Contact Person</td>
<td>3b. Phone Number (Including Area Code)</td>
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See Explanation of Codes below

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<td>Name</td>
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7c: Type of Trade Codes:

1 = New Construction
2 = Substantial Rehab.
3 = Repair
4 = Service
5 = Project Mangt.
6 = Professional
7 = Tenant Services
8 = Education/Training
9 = Arch./Engrg. Appraisal
0 = Other

7d: Racial/Ethnic Codes:

1 = White Americans
2 = Black Americans
3 = Native Americans
4 = Hispanic Americans
5 = Asian/Pacific Americans
6 = Hasidic Jews

Community Development Block Grant
Exhibit 5B (2013) – Minority, Women and Emerging Small Business Activity Report

Explanation of Codes

1. **Grantee:** Enter the name of the unit of government submitting this report.

3. **Contact Person:** Enter name and phone of person responsible for maintaining and submitting contract/subcontract data.

7a. **Grant Number:** Enter the HUD Community Development Block Grant Identification Number (with dashes). For example: B-32-MC-25-0034. For Entitlement Programs and Small City multi-year comprehensive programs, enter the latest approved grant number.

7b. **Amount of Contract/Subcontract:** Enter the dollar amount rounded to the nearest dollar. If subcontractor ID number were provided in 7f, the dollar figure would be for the subcontract only and not for the prime contract.

7c. **Type of Trade:** Enter the numeric codes which best indicates the contractor’s/subcontractor’s service. If subcontractor ID number were provided in 7f, the type of trade code would be for the subcontract only and not for the prime contractor. The “other” category includes supply, professional services and all other activities except construction and education/training activities.

7d. **Business Racial/Ethnic Code:** Enter the numeric code, which indicates the racial/ethnic character of the owner(s) and controller(s) of 51% of the business. When 51% or more is not owned and controlled by any single racial/ethnic category, enter the code that seems most appropriate. If the subcontractor ID number were provided, the code would apply to the subcontractor and not to the prime contractor.

7e. **Woman Owned Business:** Enter Yes or No.

7f. **Contractor Identification (ID) Number:** Enter the Employer (IRS) Number of the Prime Contractor as the unique identifier for prime recipient of HUD funds. Note that the Employer (IRS) Number must be provided for each contract/subcontract awarded.

7g. **Section 3 Contractor:** Enter Yes or No.

7h. **Subcontractor Identification (ID) Number:** Enter the Employer (IRS) Number of the subcontractor as the unique identifier for each subcontract awarded from HUD funds. When the subcontractor ID Number is provided, the respective Prime Contractor ID Number must also be provided.

7i. **Section 3 Contractor:** Enter Yes or No.

7j. **Contractor/Subcontractor Name and Address:** Enter this information for each firm receiving contract/subcontract activity only one time on each report for each firm.
### Section 3 Summary Report

#### Economic Opportunities for Low – and Very Low-Income Persons

**U.S. Department of Housing and Urban Development**

**Office of Fair Housing And Equal Opportunity**

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**Section back of page for Public Reporting Burden statement**

1. **Recipient Name & Address:** (street, city, state, zip)

2. **Federal Identification:** (grant no.)

3. **Total Amount of Award:**

4. **Contact Person**

5. **Phone:** (Include area code)

6. **Length of Grant:**

7. **Reporting Period:**

8. **Date Report Submitted:**

9. **Program Code:** (Use separate sheet for each program code)

10. **Program Name:**

---

**Part I: Employment and Training**

**_columns B, C and F are mandatory fields. Include New Hires in E & F**

<table>
<thead>
<tr>
<th>A</th>
<th>Job Category</th>
<th>B</th>
<th>Number of New Hires</th>
<th>C</th>
<th>Number of New Hires that are Sec. 3 Residents</th>
<th>D</th>
<th>% of Aggregate Number of Staff Hours of New Hires that are Sec. 3 Residents</th>
<th>E</th>
<th>% of Total Staff Hours for Section 3 Employees and Trainees</th>
<th>F</th>
<th>Number of Section 3 Trainees</th>
</tr>
</thead>
</table>

- **Professionals**
- **Technicians**
- **Office/Clerical**
- **Construction by Trade (List)**
  - **Trade**
  - **Trade**
  - **Trade**
  - **Other (List)**

**Total**

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* Program Codes

1 = Flexible Subsidy
2 = Section 202/811
3 = Public/Indian Housing
A = Development,
B = Operation
C = Modernization
4 = Homeless Assistance
5 = HOME
6 = HOME State Administered
7 = CDBG Entitlement
8 = CDBG State Administered
9 = Other CD Programs
10 = Other Housing Programs

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**Ref 24 CFR 135**

**Ref 60002 (6/2001)**

**Page 1 of 2**
Part II: Contracts Awarded

1. Construction Contracts:

   A. Total dollar amount of all contracts awarded on the project $
   B. Total dollar amount of contracts awarded to Section 3 businesses $
   C. Percentage of the total dollar amount that was awarded to Section 3 businesses %
   D. Total number of Section 3 businesses receiving contracts

2. Non-Construction Contracts:

   A. Total dollar amount of all non-construction contracts awarded on the project/activity $
   B. Total dollar amount of non-construction contracts awarded to Section 3 businesses $
   C. Percentage of the total dollar amount that was awarded to Section 3 businesses %
   D. Total number of Section 3 businesses receiving non-construction contracts

Part III: Summary

Indicate the efforts made to direct the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. (Check all that apply.)

- Attempted to recruit low-income residents through: local advertising media, signs prominently displayed at the project site, contracts with the community organizations and public or private agencies operating within the metropolitan area (or nonmetropolitan county) in which the Section 3 covered program or project is located, or similar methods.
- Participated in a HUD program or other program which promotes the training or employment of Section 3 residents.
- Participated in a HUD program or other program which promotes the award of contracts to business concerns which meet the definition of Section 3 business concerns.
- Coordinated with Youthbuild Programs administered in the metropolitan area in which the Section 3 covered project is located.
- Other; describe below.

Public reporting for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB number.

Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u, mandates that the Department ensures that employment and other economic opportunities generated by its housing and community development assistance programs are directed toward low- and very-low income persons, particularly those who are recipients of government assistance housing. The regulations are found at 24 CFR Part 135. The information will be used by the Department to monitor program recipients’ compliance with Section 3, to assess the results of the Department’s efforts to meet the statutory objectives of Section 3, to prepare reports to Congress, and by recipients as a self-monitoring tool. The data is entered into a database and will be analyzed and distributed. The collection of information involves recipients receiving Federal financial assistance for housing and community development programs covered by Section 3. The information will be collected annually to assist HUD in meeting its reporting requirements under Section 808(e)(6) of the Fair Housing Act and Section 916 of the HCDA of 1992. An assurance of confidentiality is not applicable to this form. The Privacy Act of 1974 and OMB Circular A-108 are not applicable. The reporting requirements do not contain sensitive questions. Data is cumulative; personal identifying information is not included.
Form HUD-60002, Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons.

Instructions: This form is to be used to report annual accomplishments regarding employment and other economic opportunities provided to low- and very low-income persons under Section 3 of the Housing and Urban Development Act of 1968. The Section 3 regulations apply to any public and Indian housing programs that receive: (1) development assistance pursuant to Section 5 of the U.S. Housing Act of 1937; (2) operating assistance pursuant to Section 9 of the U.S. Housing Act of 1937; or (3) modernization grants pursuant to Section 14 of the U.S. Housing Act of 1937 and to recipients of housing and community development assistance in excess of $200,000 awarded in connection with the Section-3-covered activity.

Form HUD-60002 has three parts, which are to be completed for all programs covered by Section 3. Part I relates to employment and training. The recipient has the option to determine numerical employment/training goals either on the basis of the number of hours worked by new hires (columns B, D, E and F). Part II of the form relates to contracting, and Part III summarizes recipients’ efforts to comply with Section 3.

Recipients or contractors subject to Section 3 requirements must maintain appropriate documentation to establish that HUD financial assistance for housing and community development programs were directed toward low- and very low-income persons.* A recipient of Section 3 covered assistance shall submit one copy of this report to HUD Headquarters, Office of Fair Housing and Equal Opportunity. Where the program providing assistance requires an annual performance report, this Section 3 report is to be submitted at the same time the program performance report is submitted. Where an annual performance report is not required, this Section 3 report is to be submitted by January 10 and, if the project ends before December 31, within 10 days of project completion. Only Prime Recipients are required to report to HUD. The report must include accomplishments of all recipients and their Section 3 covered contractors and subcontractors.

Block 1: Construction Contracts
Item A: Enter the total dollar amount of all contracts awarded on the project/program.
Item B: Enter the total dollar amount of contracts connected with this project/program that were awarded to Section 3 businesses.
Item C: Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.
Item D: Enter the number of Section 3 businesses receiving awards.

Block 2: Non-Construction Contracts
Item A: Enter the total dollar amount of all contracts awarded on the project/program.
Item B: Enter the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.
Item C: Enter the percentage of the total dollar amount of contracts connected with this project/program awarded to Section 3 businesses.
Item D: Enter the number of Section 3 businesses receiving awards.

Part III: Summary of Efforts – Self-explanatory

Submit one (1) copy of this report to the HUD Headquarters Office of Fair Housing and Equal Opportunity, at the same time the performance report is submitted to the program office. The Section 3 report is submitted by January 10. Include only contracts executed during the period specified in Item 8. PHAs/IHAs are to report all contracts/subcontracts.

The Secretary may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of the Secretary’s findings such that variations are necessary because of prevailing levels of construction costs or unusually high- or low-income families. Very low-income persons mean low-income families (including single persons) whose incomes do not exceed 50 percent of the median family income area, as determined by the Secretary with adjustments for smaller and larger families, except that the median for the area on the basis of the Secretary’s findings that such variations are necessary because of unusually high or low family incomes.

Ref 24 CFR 135
Oregon Community Development Block Grant
Required Federal Contract Clauses
Use for Non-Construction Contracts Where the Grant Award Does Not Exceed $100,000

1. Source of Funds
   “Work under this contract will be funded [in part/in its entirety] with federal grant funds from the Oregon Community Development Block Grant program.”

2. Conflict of Interest
   No employee, agent, consultant, officer, elected official or appointed official of the city or county grant recipient or any of its sub-recipients (sub-grantees) receiving CDBG funds who exercise or have exercised any functions or responsibilities with respect to CDBG activities who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity or have an interest or benefit from the activity or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom that have family or business ties, during their tenure or for one year thereafter, in accordance with 24 CFR Part 570.489(h).

3. Minority, Women and Emerging Small Business (Instruction: Include if contract is $10,000 or more)
   Before the final payment to Contractor is made, Contractor shall submit the attached “Minority, Women and Emerging Small Business Activity Report”.
Minority, Women and Emerging Small Business Activity Report

The report on the following page is to be completed by grantees, developers, sponsors, builders, agencies, and/or project owners for reporting contract and subcontract activities of $10,000 or more under the following programs: Community Development Block Grants (entitlement and small cities); Urban Development Action Grants; Housing Development Grants; Multi-family Insured and Noninsured; Public and Indian Housing Authorities; and contracts entered into by recipients of CDBG rehabilitation assistance.

Contracts/subcontracts of less than $10,000 need be reported only if such contracts represent a significant portion of your total contracting activity. Include only contracts executed during this reporting period.

This form has been modified to capture Section 3 contract data in columns 7g and 7i. Section 3 requires that the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. Recipients using this form to report Section 3 contract data must also use Part I of form HUD-60002 to report employment and training opportunities data. Form HUD-2516 is to be completed for public and Indian housing and most community development programs. Form HUD-60002 is to be completed by all other HUD programs including State administered community development programs covered under Section 3.

A Section 3 contractor/subcontractor is a business concern that provides economic opportunities to low- and very low-income residents of the metropolitan area (or non-metropolitan county), including a business concern that is 51 percent or more owned by low- or very low-income residents; employs a substantial number of low- or very low-income residents; or provides subcontracting or business development opportunities to businesses owned by low- or very low-income residents. Low- and very low-income residents include participants in Youth build programs established under Subtitle D of Title IV of the Cranston-Gonzalez National Affordable Housing Act.

The terms “low-income persons” and “very low-income persons” have the same meanings given the terms in section 3(b)(2) of the United States Housing Act of 1937. Low-income persons mean families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary’s findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families. Very low-income persons means low-income families (including single persons) whose incomes do not exceed 50 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary’s findings that such variations are necessary because of unusually high or low family incomes.
**Exhibit 5D (2103) – Grant award does not exceed $100,000 – Non-Construction Contracts**

1. Grantee/Project Owner/Developer/Sponsor/Builder/Agency

2. Location (City, State, ZIP Code)

3a. Name of Contact Person

3b. Phone Number (Including Area Code)

6. Date Submitted

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3 = Repair  
4 = Service  
5 = Project Mangt.  
6 = Professional  
7 = Tenant Services  
8 = Education/Training  
9 = Arch./Engrg. Appraisal  
0 = Other

**7d: Racial/Ethnic Codes:**

1 = White Americans  
2 = Black Americans  
3 = Native Americans  
4 = Hispanic Americans  
5 = Asian/Pacific Americans  
6 = Hasidic Jews

---

*Grant Management Handbook (2013)  Exhibit 5D*
Exhibit 5D (2013) – Grant award does not exceed $100,000 - Non-Construction Contracts

Explanation of Codes

1. **Grantee:** Enter the name of the unit of government submitting this report.

3. **Contact Person:** Enter name and phone of person responsible for maintaining and submitting contract/subcontract data.

7a. **Grant Number:** Enter the HUD Community Development Block Grant Identification Number (with dashes). For example: B-32-MC-25-0034. For Entitlement Programs and Small City multi-year comprehensive programs, enter the latest approved grant number.

7b. **Amount of Contract/Subcontract:** Enter the dollar amount rounded to the nearest dollar. If subcontractor ID number were provided in 7f, the dollar figure would be for the subcontract only and not for the prime contract.

7c. **Type of Trade:** Enter the numeric codes which best indicates the contractor’s/subcontractor’s service. If subcontractor ID number were provided in 7f, the type of trade code would be for the subcontractor only and not for the prime contractor. The “other” category includes supply, professional services and all other activities except construction and education/training activities.

7d. **Business Racial/Ethnic Code:** Enter the numeric code, which indicates the racial/ethnic character of the owner(s) and controller(s) of 51% of the business. When 51% or more is not owned and controlled by any single racial/ethnic category, enter the code that seems most appropriate. If the subcontractor ID number were provided, the code would apply to the subcontractor and not to the prime contractor.

7e. **Woman Owned Business:** Enter Yes or No.

7f. **Contractor Identification (ID) Number:** Enter the Employer (IRS) Number of the Prime Contractor as the unique identifier for prime recipient of HUD funds. Note that the Employer (IRS) Number must be provided for each contract/subcontract awarded.

7g. **Section 3 Contractor:** Enter Yes or No.

7h. **Subcontractor Identification (ID) Number:** Enter the Employer (IRS) Number of the subcontractor as the unique identifier for each subcontract awarded from HUD funds. When the subcontractor ID Number is provided, the respective Prime Contractor ID Number must also be provided.

7i. **Section 3 Contractor:** Enter Yes or No.

7j. **Contractor/Subcontractor Name and Address:** Enter this information for each firm receiving contract/subcontract activity only one time on each report for each firm.
1. **Source of Funds**

   “Work under this contract will be funded [in part/in its entirety] with federal grant funds from the Oregon Community Development Block Grant program.”

2. **Conflict of Interest**

   No employee, agent, consultant, officer, elected official or appointed official of the city or county grant recipient or any of its sub-recipients (sub-grantees) receiving CDBG funds who exercise or have exercised any functions or responsibilities with respect to CDBG activities who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity or have an interest or benefit from the activity or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter, in accordance with 24 CFR Part 570.489(h).

3. **Minority, Women and Emerging Small Business** *(Instruction: Include if contract is $10,000 or more)*

   Before the final payment to Contractor is made, Contractor shall submit the attached “Minority, Women and Emerging Small Business Activity Report”.

4. **Section 3 - Economic Opportunities for Low- and Very Low-Income Persons** *(This clause is applicable only if the Community Development Block Grant exceeds $100,000 the funded activity leads to construction i.e. engineering, program management etc.)*

   A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3 shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

   B. The parties to this contract agree to comply with HUD’s regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

   C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers’ representative of the contractor’s commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire,
availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been in violation of the regulations in 24 CFR part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations in 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor’s obligations under 24 CFR part 135.

F. Noncompliance with HUD’s regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD-assisted contracts.

5. Prohibition on the Use of Federal Funds for Lobbying

As evidenced by execution of this contract, Contractor certifies, to the best of their knowledge and belief that:

CERTIFICATION REGARDING LOBBYING

The undersigned certifies, to the best of his or her knowledge and belief, that:

A. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.

B. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.
C. The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Signed (Contractor)

Title / Firm

Date
Minority, Women and Emerging Small Business Activity Report

The report on the following page is to be completed by grantees, developers, sponsors, builders, agencies, and/or project owners for reporting contract and subcontract activities of $10,000 or more under the following programs: Community Development Block Grants (entitlement and small cities); Urban Development Action Grants; Housing Development Grants; Multi-family Insured and Noninsured; Public and Indian Housing Authorities; and contracts entered into by recipients of CDBG rehabilitation assistance.

Contracts/subcontracts of less than $10,000 need be reported only if such contracts represent a significant portion of your total contracting activity. Include only contracts executed during this reporting period.

This form has been modified to capture Section 3 contract data in columns 7g and 7i. Section 3 requires that the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. Recipients using this form to report Section 3 contract data must also use Part I of form HUD-60002 to report employment and training opportunities data. Form HUD-2516 is to be completed for public and Indian housing and most community development programs. Form HUD-60002 is to be completed by all other HUD programs including State administered community development programs covered under Section 3.

A Section 3 contractor/subcontractor is a business concern that provides economic opportunities to low- and very low-income residents of the metropolitan area (or non-metropolitan county), including a business concern that is 51 percent or more owned by low- or very low-income residents; employs a substantial number of low- or very low-income residents; or provides subcontracting or business development opportunities to businesses owned by low- or very low-income residents. Low- and very low-income residents include participants in Youth build programs established under Subtitle D of Title IV of the Cranston-Gonzalez National Affordable Housing Act.

The terms “low-income persons” and “very low-income persons” have the same meanings given the terms in section 3(b)(2) of the United States Housing Act of 1937. Low-income persons mean families (including single persons) whose incomes do not exceed 80 percent of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of the Secretary’s findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families. Very low-income persons means low-income families (including single persons) whose incomes do not exceed 50 percent of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of the Secretary’s findings that such variations are necessary because of unusually high or low family incomes.
### Exhibit 5E (2013) – Grant award exceeds $100,000 - Non-Construction Contracts

<table>
<thead>
<tr>
<th>1. Grantee/Project Owner/Developer/Sponsor/Builder/Agency</th>
<th>2. Location (City, State, ZIP Code)</th>
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<tr>
<th>3a. Name of Contact Person</th>
<th>3b. Phone Number (Including Area Code)</th>
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See Explanation of Codes below

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**7c: Type of Trade Codes:**

1 = New Construction  
2 = Substantial Rehab.  
3 = Repair  
4 = Service  
5 = Project Mangt.

**7d: Racial/Ethnic Codes:**

1 = White Americans  
2 = Black Americans  
3 = Native Americans  
4 = Hispanic Americans  
5 = Asian/Pacific Americans  
6 = Hasidic Jews

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*Grant Management Handbook (2013) Exhibit 5E*
Explanation of Codes

1. **Grantee:** Enter the name of the unit of government submitting this report.

3. **Contact Person:** Enter name and phone of person responsible for maintaining and submitting contract/subcontract data.

7a. **Grant Number:** Enter the HUD Community Development Block Grant Identification Number (with dashes). For example: B-32-MC-25-0034. For Entitlement Programs and Small City multi-year comprehensive programs, enter the latest approved grant number.

7b. **Amount of Contract/Subcontract:** Enter the dollar amount rounded to the nearest dollar. If subcontractor ID number were provided in 7f, the dollar figure would be for the subcontract only and not for the prime contract.

7c. **Type of Trade:** Enter the numeric codes which best indicates the contractor’s/subcontractor’s service. If subcontractor ID number were provided in 7f, the type of trade code would be for the subcontractor only and not for the prime contractor. The “other” category includes supply, professional services and all other activities except construction and education/training activities.

7d. **Business Racial/Ethnic Code:** Enter the numeric code, which indicates the racial/ethnic character of the owner(s) and controller(s) of 51% of the business. When 51% or more is not owned and controlled by any single racial/ethnic category, enter the code that seems most appropriate. If the subcontractor ID number were provided, the code would apply to the subcontractor and not to the prime contractor.

7e. **Woman Owned Business:** Enter Yes or No.

7f. **Contractor Identification (ID) Number:** Enter the Employer (IRS) Number of the Prime Contractor as the unique identifier for prime recipient of HUD funds. Note that the Employer (IRS) Number must be provided for each contract/subcontract awarded.

7g. **Section 3 Contractor:** Enter Yes or No.

7h. **Subcontractor Identification (ID) Number:** Enter the Employer (IRS) Number of the subcontractor as the unique identifier for each subcontract awarded from HUD funds. When the subcontractor ID Number is provided, the respective Prime Contractor ID Number must also be provided.

7i. **Section 3 Contractor:** Enter Yes or No.

7j. **Contractor/Subcontractor Name and Address:** Enter this information for each firm receiving contract/subcontract activity only one time on each report for each firm.
1. **Source of Funds**
   Work under this contract will be funded [in part/in its entirety] with federal grant funds from the Oregon Community Development Block Grant program.

2. **Conflict of Interest**
   No employee, agent, consultant, officer, elected official or appointed official of the city or county grant recipient or any of its sub-recipients (sub-grantees) receiving CDBG funds who exercise or have exercised any functions or responsibilities with respect to CDBG activities who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity or have an interest or benefit from the activity or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds there under, either for themselves or those with whom that have family or business ties, during their tenure or for one year thereafter, in accordance with 24 CFR Part 570.489(h).

3. **Minority, Women and Emerging Small Business** *(Instruction: Include if contract is $10,000 or more)*
   Before the final payment to Contractor is made, Contractor shall submit the attached “Minority, Women and Emerging Small Business Activity Report”.

4. **Prohibition on the Use of Federal Funds for Lobbying**
   As evidenced by execution of this contract, Contractor certifies, to the best of their knowledge and belief that:

   **CERTIFICATION REGARDING LOBBYING**

   The undersigned certifies, to the best of his or her knowledge and belief, that:

   A. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement.

   B. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in
connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.

C. The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

________________________
Signed (Contractor)

________________________
Title / Firm

________________________
Date

5. **Prohibition on the Use of Lead-Based Paint**  
(Contracts and subcontracts residential for construction or rehabilitation)  
The use of lead-based paint on any interior or exterior surfaces is prohibited.

(Construction contracts in excess of $2,000 and all subcontracts under a prime contract that exceeds $2,000) The Federal Labor Standards Provisions (HUD-4010), located as part of this Exhibit, must be attached to this contract.

7. **Public Works Bond**  
In accordance with ORS 279C.830(3) and before starting work on the Project, Contractor shall file a $30,000 Public Works Bond with the Oregon Construction Contractors Board.

Contractor shall include a requirement in every subcontract which requires the subcontractor to file a $30,000 Public Works Bond with the Oregon Construction Contractors Board in accordance with ORS 279C.830(3)(b) and before starting work on the Project.

8. **Oregon Prevailing Wage Laws** - Contractor shall pay each worker employed in the performance of this contract not less than the higher of the wage rate for the type of work being performed as set forth in either the Oregon Prevailing Wage set forth in the “Prevailing Wage Rates for Public Works
Contracts in Oregon” or the applicable federal Davis-Bacon Wage Decision.

Contracts must include a provision that if the contractor fails to pay for labor and services, the agency can pay for them and withhold these amounts from payments to the contractor. There must also be a provision that the contractor must pay daily, weekly, weekend and holiday overtime as required.

9. Section 3 - Economic Opportunities for Low- and Very Low-Income Persons.

A. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3 shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD’s regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers’ representative of the contractor’s commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been in violation of the regulations in 24 CFR part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations in 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor’s obligations under 24 CFR part 135.

F. Noncompliance with HUD’s regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD-assisted contracts.
Minority, Women and Emerging Small Business Activity Report

The report on the following page is to be completed by grantees, developers, sponsors, builders, agencies, and/or project owners for reporting contract and subcontract activities of $10,000 or more under the following programs: Community Development Block Grants (entitlement and small cities); Urban Development Action Grants; Housing Development Grants; Multi-family Insured and Noninsured; Public and Indian Housing Authorities; and contracts entered into by recipients of CDBG rehabilitation assistance.

Contracts/subcontracts of less than $10,000 need be reported only if such contracts represent a significant portion of your total contracting activity. Include only contracts executed during this reporting period.

This form has been modified to capture Section 3 contract data in columns 7g and 7i. Section 3 requires that the employment and other economic opportunities generated by HUD financial assistance for housing and community development programs shall, to the greatest extent feasible, be directed toward low- and very low-income persons, particularly those who are recipients of government assistance for housing. Recipients using this form to report Section 3 contract data must also use Part I of form HUD-60002 to report employment and training opportunities data. Form HUD-2516 is to be completed for public and Indian housing and most community development programs. Form HUD-60002 is to be completed by all other HUD programs including State administered community development programs covered under Section 3.

A Section 3 contractor/subcontractor is a business concern that provides economic opportunities to low- and very low-income residents of the metropolitan area (or non-metropolitan county), including a business concern that is 51 percent or more owned by low- or very low-income residents; employs a substantial number of low- or very low-income residents; or provides subcontracting or business development opportunities to businesses owned by low- or very low-income residents. Low- and very low-income residents include participants in Youth build programs established under Subtitle D of Title IV of the Cranston-Gonzalez National Affordable Housing Act.

The terms “low-income persons” and “very low-income persons” have the same meanings given the terms in section 3(b)(2) of the United States Housing Act of 1937. Low-income persons mean families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary’s findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families. Very low-income persons means low-income families (including single persons) whose incomes do not exceed 50 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 50 per centum of the median for the area on the basis of the Secretary’s findings that such variations are necessary because of unusually high or low family incomes.
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<th>Name</th>
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7c: Type of Trade Codes:
1 = New Construction  
2 = Substantial Rehab.  
3 = Repair  
4 = Service  
5 = Project Mangt.  
6 = Professional  
7 = Tenant Services  
8 = Education/Training  
9 = Arch./Engrg. Appraisal  
0 = Other

7d: Racial/Ethnic Codes:
1 = White Americans  
2 = Black Americans  
3 = Native Americans  
4 = Hispanic Americans  
5 = Asian/Pacific Americans  
6 = Hasidic Jews

Grant Management Handbook (2013)  
Exhibit 5F
Exhibit 5F (2013) – Grant award does not exceed $100,000 - Construction Contracts

Explanation of Codes

1. **Grantee**: Enter the name of the unit of government submitting this report.

3. **Contact Person**: Enter name and phone of person responsible for maintaining and submitting contract/subcontract data.

7a. **Grant Number**: Enter the HUD Community Development Block Grant Identification Number (with dashes). For example: B-32-MC-25-0034. For Entitlement Programs and Small City multi-year comprehensive programs, enter the latest approved grant number.

7b. **Amount of Contract/Subcontract**: Enter the dollar amount rounded to the nearest dollar. If subcontractor ID number were provided in 7f, the dollar figure would be for the subcontract only and not for the prime contract.

7c. **Type of Trade**: Enter the numeric codes which best indicates the contractor's/subcontractor's service. If subcontractor ID number were provided in 7f, the type of trade code would be for the subcontract only and not for the prime contract. The “other” category includes supply, professional services and all other activities except construction and education/training activities.

7d. **Business Racial/Ethnic Code**: Enter the numeric code, which indicates the racial/ethnic character of the owner(s) and controller(s) of 51% of the business. When 51% or more is not owned and controlled by any single racial/ethnic category, enter the code that seems most appropriate. If the subcontractor ID number were provided, the code would apply to the subcontractor and not to the prime contractor.

7e. **Woman Owned Business**: Enter Yes or No.

7f. **Contractor Identification (ID) Number**: Enter the Employer (IRS) Number of the Prime Contractor as the unique identifier for prime recipient of HUD funds. Note that the Employer (IRS) Number must be provided for each contract/subcontract awarded.

7g. **Section 3 Contractor**: Enter Yes or No.

7h. **Subcontractor Identification (ID) Number**: Enter the Employer (IRS) Number of the subcontractor as the unique identifier for each subcontract awarded from HUD funds. When the subcontractor ID Number is provided, the respective Prime Contractor ID Number must also be provided.

7i. **Section 3 Contractor**: Enter Yes or No.

7j. **Contractor/Subcontractor Name and Address**: Enter this information for each firm receiving contract/subcontract activity only one time on each report for each firm.
Applicability

The Project or Program to which the construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

A.  1.  (i) Minimum Wages. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics. Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv); also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for the classification of work actually performed therein; provided, that the employer’s payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conferred under 29 CFR 5.5(a)(1) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible, place where it can be easily seen by the workers.

(ii) (a) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits therefor only when the following criteria have been met:

(1) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(2) The classification is utilized in the area by the construction industry; and

(3) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(b) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB control number 1215-0140.)

(c) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

(d) The wage rate (including fringe benefits where appropriate) determined pursuant to subparagraphs (1)(ii)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(iii) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part
of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program. Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

2. Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor, or any other Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract in the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work, all or part of the wages required by the contract, HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts.

3. (i) Payrolls and basic records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section 1(b)(2)(B) of the Davis-bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215-0140 and 1215-0017.)

(ii) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall be set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i) except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee’s social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at http://www.dol.gov/esa/whd/forms/wh347instr.htm or its successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this subparagraph for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to HUD or its designee. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149.)

(b) Each payroll submitted shall be accompanied by a “Statement of Compliance,” signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(1) That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5 (a)(3)(i), the appropriate information is being maintained under 29 CFR 5.5(a)(3)(i), and that such information is correct and complete;
(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3;

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(c) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirement for submission of the “Statement of Compliance” required by subparagraph A.3.(i)(b).

(d) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(iii) The contractor or subcontractor shall make the records required under subparagraph A.3.(i) available for inspection, copying, or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

4. Apprentices and Trainees.

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman’s hourly rate) specified in the contractor’s or subcontractor’s registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice’s level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee’s level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by
the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under 29 CFR Part 5 shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR Part 3 which are incorporated by reference in this contract

6. Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained in subparagraphs 1 through 11 in this paragraph A and such other clauses as HUD or its designee may by appropriate instructions require, and a copy of the applicable prevailing wage decision, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontract. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this paragraph.

7. Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act Requirements. All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract

9. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.

10. (i) Certification of Eligibility. By entering into this contract the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor’s firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001. Additionally, U.S. Criminal Code, Section 1 01 0, Title 18, U.S.C., “Federal Housing Administration transactions”, provides in part: “Whoever, for the purpose of . . . influencing in any way the action of such Administration..... makes, utters or publishes any statement knowing the same to be false..... shall be fined not more than $5,000 or imprisoned not more than two years, or both.”

11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Contract are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Contract to his employer.

B. Contract Work Hours and Safety Standards Act. The provisions of this paragraph B are applicable where the amount of the prime contract exceeds $100,000. As used in this paragraph, the terms “laborers” and “mechanics” include watchmen and guards.

(1) Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which the individual is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of $10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by the clause set forth in subparagraph (1) of this paragraph.

Previous editions are obsolete

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form HUD-4010 (06/2009)

ref. Handbook 1344.1
(3) Withholding for unpaid wages and liquidated damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contract, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

C. Health and Safety. The provisions of this paragraph C are applicable where the amount of the prime contract exceeds $100,000.

(1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

(2) The Contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act, (Public Law 91-54, 83 Stat 96). 40 USC 3701 et seq.

(3) The contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The contractor shall take such action with respect to any subcontractor as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.
Examples Of Efforts To Offer Training Employment Opportunities To Section 3 Residents

1. Entering into "first source" hiring agreements with organizations representing Section 3 residents.

2. Sponsoring a HUD-certified "Step-Up" employment and training program for Section 3 residents.

3. Establish training programs, which are consistent with the requirements of the Department of Labor for public and Indian housing residents, and other Section 3 residents in the building trades.

4. Advertising the training and employment positions by distributing flyers (which identify the positions to be filled, the qualifications required, and where to obtain additional information about the applications process) to every occupied dwelling unit in the housing development or developments.

5. Advertising the training and employment positions by posting flyers (which identify the positions to be filled, the qualifications required, and where to obtain additional information about the application process) in the common areas or other prominent areas of the housing development or developments.

6. Contacting resident councils, resident management corporations, or other resident organizations, where they exist, in the housing development or developments and community organizations in HUD-assisted neighborhoods, to request the assistance of these organizations in notifying residents of the training and employment positions to be filled.

7. Sponsoring (scheduling, advertising, financing or providing in-kind services) a job informational meeting to be conducted by a housing authority or contractor representative or representatives at a location in the housing development.

8. Arranging assistance in conducting job interviews and completing job applications for residents of the housing developments or developments and in the neighborhood or service area in which a Section 3 project is located.

9. Arranging for a location in the housing development or developments where category 1 persons reside, or the neighborhood or service area of the project where job applications may be delivered to and collected by a recipient or contractor representative or representatives.

10. Contracting agencies administering HUD Youthbuild programs, and requesting their assistance in recruiting HUD Youthbuild programs participating for the Housing Authorities or contractor's training and employment positions.

11. Consulting with State and local agencies administering training programs funded through JTPA or JOBS, probation and parole agencies, unemployment compensation programs, community organizations and other officials or organizations to assist with recruiting Section 3 residents for the Housing Authorities or contractor's and employment positions.

12. Advertising the jobs to be filled through the local media, such as community television networks, newspapers of general circulation, and radio advertising.
13. Employing a job coordinator, or contracting with a business concern that is licensed in the field of job placement (preferably one of the Section 3 business concerns identified in part 135) that will undertake, on behalf of the Housing Authorities, other recipients or contractor, the efforts to match eligible and qualified Section 3 residents with the training and employment positions that the Housing Authorities or contractor intends to fill.

14. For a Housing Authority, employment of Section 3 residents directly on either a permanent or a temporary basis to perform work generated by Section 3 assistance. (This type of employment is referred to as "force account labor" in HUD's Indian housing regulations. See 24 CFR 905.102, and 905.201(a) (6).)

15. Where there are more qualified Section 3 residents than there are positions to be filled, maintaining a file of eligible qualified Section 3 residents for future employment positions.

16. Undertaking job counseling, education and related programs in association with local educational institutions.

17. Undertaking such continued job training efforts as may be necessary to ensure the continued employment of Section 3 residents previously hired for employment opportunities.

18. After selection of bidders but prior to contract execution, incorporating into the contract negotiated provisions for a specific number of public housing or other Section 3 residents to be trained or employed on the Section 3 covered assistance.

19. Coordinating plans and implementation of economic development (e.g. job training and preparation, business development assistance for residents) with the planning for housing and community development.

**Examples Of Efforts To Award Contracts To Section 3 Business Concerns**

Utilizing procurement procedures for Section 3 business concerns similar to those provided in 24 CFR part 905 for business concerns owned by Native Americans.

1. In determining the responsibility of potential contractors, consider their record of Section 3 compliance as evidenced by past actions and their current plans for the pending contract.

2. Contacting business assistance agencies, minority contractors associations and community organizations to inform them of contracting opportunities and requesting their assistance in identifying Section 3 businesses which may solicit bids or proposals for contracts for work in connection with Section 3 covered assistance.

3. Advertising contracting opportunities by posting notices, which provide general information about the work to be contracted and where to obtain additional information in the common area or other prominent areas of the housing development or developments owned and managed by the HA.
4. For HAs, contacting resident councils, resident management corporations, or other resident organizations, where they exist, and requesting their assistance in identifying eligible business concerns.

5. Providing written notice to all known Section 3 business concerns of the contracting opportunities. This notice should be in sufficient time to allow the Section 3 business concerns to respond to the bid invitations or request for proposals.

6. Following up with Section 3 business concerns that have expressed interest in the contracting opportunities by contacting them to provide additional information on the contracting opportunities.

7. Coordinating pre-bid meetings at which Section 3 business concerns could be informed of upcoming contracting and subcontracting opportunities.

8. Carrying out workshops on contracting procedures and specific contract opportunities in a timely manner so that Section 3 business concerns can take advantage of upcoming contracting opportunities, with such information being made available in language other than English where appropriate.

9. Advising Section 3 business concerns as to where they may seek assistance in overcoming limitations such as inability to obtain bonding, lines of credit, financing, or insurance.

10. Arranging solicitations, times for the presentation of bids, quantities, specifications, and delivery schedules in ways to facilitate the participation of Section 3 business concerns.

11. Where appropriate, breaking out contract work items into economically feasible units to facilitate participation by Section 3 business concerns.

12. Contacting agencies, administering HUD Youthbuild programs, and notifying these agencies of the contracting opportunities.

13. Advertising the contracting opportunities through trade association papers and newsletters, and through the local media, such as community television networks, newspapers of general circulation and radio advertising.

14. Developing a list of eligible Section 3 business concerns.

15. For Housing Authorities, participating in the "Contracting with Resident-Owned Business" program provided under 24 CFR part 963.

16. Establishing or sponsoring programs designed to assist residents of public or Indian housing in the creation and development of resident-owned businesses.

17. Establishing numerical goals (number of awards and dollar amount of contracts) for award of contracts to Section 3 business concerns.

18. Supporting businesses that provide economic opportunities to low-income persons by linking them to the support services available through the Small Business Administration (SBA), the Department of Commerce and comparable agencies at the State and local levels.

19. Encouraging financial institutions, in carrying out their responsibilities under the Community Reinvestment Act, to provide low-income loans by providing working capitals and other financial business needs.

20. Actively supporting joint ventures with Section 3 business concerns.
21. Actively supporting the development or maintenance of business incubators that assist Section 3 business concerns.

**Examples of Procurement Procedures That Provide For Preference To Section 3 Business Concerns**

This section (Section III of the Regulations), provides specific procedures that may be followed by recipients and contractors (collectively, referred to as the "contracting party") for implementing the Section 3 contracting preference for each of the competitive procurement methods authorized in 24 CFR 85.36(d).

1. **Small Purchase Procedures** For Section 3 covered contracts aggregating no more than $25,000, the methods set forth in this paragraph or the more formal procedures set forth in paragraphs (2) and (3) of this section may be utilized.

(i) **Solicitation**

(A) Quotations may be solicited by telephone, letter or other informal procedure provided that the manner of solicitation provides for participation by a reasonable number of competitive sources. At the time of solicitation the parties must be informed of:

- The Section 3 covered contract to be awarded with sufficient specificity;
- The time within which quotations must be submitted; and
- The information that must be submitted with each quotation.

(B) If the method described in paragraph (i) (A) is utilized, there must be an attempt to obtain quotations from a minimum of three qualified sources in order to promote competition. Fewer than three quotations are acceptable when the contracting party has attempted, but has been unable to obtain a sufficient number of competitive quotations. In unusual circumstances, the contracting party may accept the sole quotation received in response to a solicitation received in response to a solicitation provided the price is reasonable. In all cases, the contracting party shall document the circumstances when it has been unable to obtain at least three quotations.

(ii) **Award**

(A) Where the Section 3 covered contract is to be awarded based upon the lowest price, the contract shall be awarded to the qualified Section 3 business concern with the lowest responsive quotation, if it is reasonable and no more than 10 percent higher than the quotation of the lowest responsive quotation from any qualified source. If no responsive quotation by a qualified Section 3 business concern is within 10 percent of the lowest responsive quotation from any qualified...
source, the award shall be made to the source with the lowest quotation.

(B) Where the Section 3 covered contract is to be awarded based on factors other than price, a request for quotations shall be issued by developing the particulars of the solicitation, including a rating system for the assignment of points to evaluate the merits of each quotation. The solicitation shall identify all factors to be considered, including price or cost. The rating system shall provide for a range of 15 to 25 percent of the total number of available rating points to be set aside for the provision of preference for Section 3 business concerns. The purchase order shall be awarded to the responsible firm whose quotation is the most advantageous, considering price and all other factors specified in the rating system.

2. **Procurement by sealed bids** (Invitations for Bids). Preference in the award of Section 3 covered contracts that are awarded under a sealed bid (IFB) process may be provided as follows:

(i) Bids shall be solicited from all businesses (Section 3 business concerns, and non-Section 3 business concerns). An award shall be made to the qualified Section 3 business concern with the highest priority ranking and with the lowest responsive bid if that bid-

   (A) is within the maximum total contract price established in the contracting party's budget for the specific project for which bids are being taken, and

   (B) is no more than "X" higher than the total bid price of the lowest responsive bid from any responsible bidder. "X" is determined as follows:

\[
X = \text{lesser of:}
\]

**When the lowest responsive bid is:**
Less than $100,000.................10% of that bid or $9,000

**When the lowest responsive bid is:**
At least $100,000, but less than $200,000.......................9% of that bid, or $16,000
At least $200,000 but less than $300,000.......................8% of that bid, or $21,000
At least $300,000 but less than $400,000.......................7% of that bid, or $24,000
At least $400,000 but less than $500,000.......................6% of that bid, or $25,000
At least $500,000 but less than $1 million.....................5% of that bid, or $40,000
At least $1 million but less than $2 million……………………4% of that bid, or $60,000
At least $2 million but less than $4 million……………………3% of that bid, or $80,000
At least $4 million but less than $7 million……………………2% of that bid, or $105,000
$7 million or more…………………….1 1/2 % of the lowest responsive bid, with no dollar limit.

(ii) If no responsive bid by a Section 3 business concern meets the requirements of paragraph (2) (i) of this section, the contract shall be awarded to a responsible bidder with the lowest responsive bid.

3. Procurement under the competitive proposals method of procurement (Request for Proposals RFP). (i) For contracts and subcontracts awarded under the competitive proposals method of procurement (24 CFR 85.36(d)(3)), a Request for Proposals (RFP) shall identify all evaluation factors (and their relative importance) to be used to rate proposals.

(ii) One of the evaluation factors shall address both the preference for Section 3 business concerns and the acceptability of the strategy for meeting the greater extent feasible requirement (Section 3 strategy), as disclosed in proposals submitted by all business concerns (Section 3 and non-Section 3 business concerns). This factor shall provide for a range of 15 to 25 percent of the total number of available points to be set aside for the evaluation of these two components.

(iii) The component of this evaluation factor, designed to address the preference for Section 3 business concerns, must establish a preference for these business concerns in the order of priority ranking as described in 24 CFR 135.36.

(iii) With respect to the second component (the acceptability of the Section 3 strategy), the RFP shall require the disclosure of the contractor's Section 3 strategy to comply with the Section 3 training and employment preference, or contracting preference, or both, if applicable. A determination of the contractor's responsibility will include the submission of an acceptable Section 3 strategy. The contract award shall be made to the responsible firm (either Section 3 or non-Section 3 business concern) whose proposal is determined most advantageous, considering price and all other factors specified in the RFP.
RESOLUTION

A RESOLUTION TO ADOPT THE SECTION 3 PLAN
TO COMPLY WITH 24 CFR, PART 135 OF THE
UNITED STATES DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT SECTION 3

WHEREAS, the United States Congress passed Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) to further the goal of ensuring that federal funds benefit the residents of projects funded wholly or in part by those funds, and

WHEREAS, Part 135 of Section 3 is to establish the standards and procedures to be followed to ensure that the objectives of Section 3 are met; and

WHEREAS, the City/County of __________ staff has developed a Section 3 Plan in adherence to 24 CFR, Part 135 that more comprehensively addresses the standards and procedures prescribed in the Act; and

WHEREAS, the Section 3 Plan has been reviewed by the City/County of ________ senior staff members and their comments incorporated into the Plan.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Commissioners or City Council authorizes the City/County of __________ to adopt and implement the Section 3 Plan to ensure compliance with Federal Law and to designate____________________________________________as the Section 3 Coordinator for the City/County.

APPROVED AND ADOPTED this _____ day of __________ _______

____________________________________________
County Chairperson or City Mayor
SECTION 3 PLAN

General Policy Statement

It is the policy of the City/County of ____________________________ to require its contractors to make a good faith effort to provide equal employment opportunity to all employees and applicants for employment without regard to race, color, religion, sex, national origin, disability, veteran's or marital status, or economic status and to take affirmative action to ensure that both job applicants and existing employees are given fair and equal treatment.

The City/County of ___________________________________ implements this policy through the awarding of contracts to contractors, vendors, professional service providers/consultants and suppliers, to create employment and business opportunities for residents of the City/County of ____________________ and other qualified low- and very low-income persons.

The policy will ensure that in good faith the City/County of _______________________ will have a reasonable level of success in the recruitment, employment, and utilization of Section 3 residents and other eligible persons and Section 3 business concerns working on contracts partially or wholly funded with the United States Department of Housing and Urban Development (HUD) monies. The City/County of ________________ shall examine and consider a contractor's, professional service provider/consultant or vendor's potential for success by providing employment and business opportunities to Section 3 residents and business concerns prior to acting on any proposed contract award.

Good Faith Effort

At a minimum, the following tasks must be completed to demonstrate a good faith effort with the requirements of Section 3. The City/County of ____________and each contractor, subcontractor, professional services provider, vendor or supplier seeking to establish a good faith effort as required should be filling all training positions with persons residing in the target area.

1. Send notices of job availability subcontracting opportunities subject to these requirements to recruitment sources, organizations and other community groups capable of referring eligible Section 3 applicants, including Works Source Oregon.
2. Include in all solicitations and advertisements a statement to encourage eligible Section 3 residents to apply.
3. When using a newspaper of major circulation to request bids/quotes or to advertise employment opportunities to also advertise in minority-owned newspapers.
4. Maintain a list of all residents from the target area who have applied either on their own or by referral from any service, and employ such persons, if otherwise eligible and if a trainee position exits. (If the contractor has no vacancies, the applicant, if otherwise eligible, shall be listed for the first available vacancy). A list of eligible applicants will be maintained for future vacancies.

Any construction contractor, professional services provider, vendor or supplier must certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed were not filled to circumvent the contractor's obligation under 24 CFR Part 135.
WHAT IF MY BUSINESS DOES NOT QUALIFY AS A SECTION 3 BUSINESS?

The City/County will, to the greatest extent feasible, offer contracting opportunities to Section 3 business concerns. However, in the event no Section 3 business bids on a contract, or bids but is not able to demonstrate to the City/County satisfaction that it has the ability to perform successfully under the terms and conditions of the proposed contract, then that contract will be awarded to a non-Section 3 business concern that can meet the terms and conditions of the proposed contract through the competitive bidding process.

That business concern must meet, as all business must (including Section 3 businesses), the general conditions of compliance (refer to Section 3 Clause [Construction Contracts] and Section 3 Clause [Non-Construction Contracts]).

This will include:
1. Submitting a list of all positions necessary to complete contract, name of employees who will fill those positions, names of all other employees.
2. Posting notices of any vacant positions, including training and/or apprenticeship positions, qualifications for positions, place where applications will be received and starting date of employment.
3. To the greatest extent possible, making available vacant positions, including training and/or apprenticeship positions, to Section 3 residents (all categories) in order to priority.
4. As positions are vacated during completion of contract, following guidelines enumerated in numbers 2 and 3 above.
5. Submitting Compliance Reports as required.
6. If notified of non-compliance, correcting non-compliance within allowable time period.

Section 3 Purpose

Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) (Section 3) requires the City/County of ________________________ to ensure that employment and other economic and business opportunities generated by the Department of Housing and Urban Development (HUD) financial assistance, to the greatest extent feasible, are directed to public housing residents and other low-income persons, particularly recipients of government housing assistance, and business concerns that provide economic opportunities to low- and very-low income persons.

Section 3 Contracting Policy and Procedure

Section 3 residents must meet the minimum qualifications of the position to be filled and a Section 3 business concern must have the ability to and capability to perform successfully under the terms and conditions of the proposed contract.

The City/County of ____________ will incorporate Section 3 in its existing Procurement Policy and adopt a Section 3 Contracting Policy and Procedure to be included in all procurements generated for use with HUD funding. This policy and procedure contains goal requirements for awarding contracts to Section 3 Business Concerns.

All contractors/businesses seeking Section 3 preference must before submitting bids/proposals to the City/County of ______________ will be required to complete certifications, as appropriate, as acknowledgement of the Section 3
contracting and employment provisions required by this section. Such certifications shall be adequately supported with appropriate documentation as referenced in the form. Refer to Exhibit 4.

In addition the City/County of __________ has initiated efforts to enhance resident hiring in specific procurement areas. These initiatives are designed to set the requirements for resident hiring and developing and/or strengthening administrative procedures for facilitating contractors' hiring of Section 3 residents, other low income and/or very low-income residents residing in the City/County of __________. In promote good faith effort to enhance Section 3 compliance all procurement documents must meet the following:

1. Each bidder/proposer must include a Section 3 Opportunities Plan and Certification (Exhibit 5) or a separate schedule which indicates its commitment to meet the Section 3 resident hiring requirements.
2. If a bidder/proposer fails to submit a Section 3 Opportunities Plan and Certification or a separate schedule and the related data along with the bid/proposal, such bid/proposal will be declared as "non-responsive".
3. For invitations for Bids ("IFB") where awards are made to the lowest, responsive and responsible bidder, the bidder’s commitment to satisfy Section 3 resident hiring requirements will be a factor used in determining whether the bidder is "responsive".
4. For QBS’s RFQ’s, RFP’s and IFB’s, contractors shall be required to detail the cost of the bid or proposal by separately categorizing contract cost by labor (person hours and dollar amounts).

The City/County of ________ and their covered contractors, subcontractors, professional service providers/consultants or subrecipients) will in good faith comply with the requirements of Section 3 for new employment, training, or contracting opportunities resulting from the expenditure of HUD funding. The City/County responsibility includes:

1. Providing a list of all Section 3 residents and business concerns within their area;
2. Advertise to have residents businesses complete the pre-qualifying certification form;
3. Develop a system to collect the pre-qualifying certification forms and to verify the accuracy of the completed forms;
4. Contract work (contracts of $100,000 or more for construction or any non-construction activity leading to construction i.e. engineering, architectural services) with preference to Section 3 residents and business concerns by giving preference to Section 3 residents and business concerns located closer to the project site;
5. Require construction contractors, engineers, architects, program managers, vendors and suppliers, etc. to submit a Section 3 Opportunities Plan and Certification plan with their bid/proposal;
6. Informing businesses that they can use the Work Source Oregon – First Source Hiring Agreement in complying with the Section 3 requirements;
7. Implementing procedures to notify Section 3 residents and business concerns about training, employment, and contracting opportunities generated by Section 3 covered assistance;
8. Notifying potential contractors working on Section 3 covered projects of their responsibilities;
9. Incorporating the Section 3 Clause into all covered solicitations and contracts [see 24 CFR Part 135.38];
10. Facilitating the training and employment of Section 3 residents and the award of contracts to Section 3 business concerns;
11. Assisting and actively cooperating with the State in making contractors and subcontractors comply;
12. Refraining from entering into contracts with contractors that are in violation of Section 3 regulations;
13. Documenting actions taken to comply with Section 3; and
15. Informing any subrecipient/sub-grantee of City/County CDBG funds that they must attempt to reach the minimum numerical goals set forth at 24 CFR Part 135.30, regardless of the number of subrecipients/sub-
grantees that receive covered funding. The information and assistance that will be provided includes but is not limited to the following:

a. Inform subrecipients/sub-grantees about the requirements of Section 3;
b. Assist subrecipients/sub-grantees and their contractors with achieving compliance;
c. Monitor subrecipient/sub-grantee performance with respect to meeting the requirements of Section 3; and
d. Report to HUD on the cumulative Section 3 activities taking place within their jurisdiction on an annual basis.

The existing City/County of _________________________ Procurement Policy also contains goal requirements for awarding contracts to Small Disadvantaged Businesses, formerly Minority and Women Business Enterprises (M/WBE).

**Section 3 Clause**

The Section 3 Contract Clause specifies the requirements for contractors hired for Section 3 covered projects. The Section 3 Clause must be included in all Section 3 covered projects. The Section 3 Contract Clause is included in Exhibit 1.

**Numeric Goals for Section 3 Employment & Training**

It is the policy of the City/County of ________________ to utilize residents and other Section 3 eligible persons and businesses concerns in contracts partially or wholly funded with monies from the Department of Housing and Urban Development (HUD). The City/County of __________ ________ has established employment and training goals that contractors and subcontracts should meet in order to comply with Section 3 requirements. (Reference 24 CFR 135.30 – Numerical goal for meeting the greatest extent feasible requirement). The numerical goal is:

• Thirty percent (30%) of the aggregate number of new hires in any fiscal year.

It is the responsibility of contractors, professional service providers/consultants, vendors and suppliers to implement progressive efforts to attain Section 3 compliance. Any firm that does not meet the Section 3 numerical goals must demonstrate why meeting the goals were not feasible. All firms submitting bids or proposals are required to certify that they comply with the requirements of Section 3.

**Numeric Goals for Contracting Activities**

Absent evidence to the contrary, the City/County of __________ considers contractors, professional service providers/consultants, vendors and suppliers of covered funding to be in compliance with Section 3 if they meet the minimum numerical goals set forth at 24 CFR Part 135.30. Specifically:

1. 30 percent of the aggregate number of new hires shall be Section 3 residents;
2. 10 percent of the total dollar amount of all covered construction contracts shall be awarded to Section 3 business concerns; and
3. 3 percent of the total dollar amount of all covered non-construction contracts shall be awarded to Section 3 business concerns.
Businesses that fail to meet the minimum numerical goals above bear the burden of demonstrating why it was not possible to do so. Such justifications should describe the efforts that were taken, barriers encountered, and other relevant information that will enable the state to make a compliance determination.

Failure to comply with the requirements of Section 3 may result in sanctions, including: debarment, suspension, or limited denial of participation in HUD programs pursuant to 24 CFR Part 24.

Section 3 Program Resident/Participant Certification Procedure

Section 3 Residents Are:

1. Residents of Public and Indian Housing; or
2. Individuals that reside in the metropolitan area or nonmetropolitan county in which the Section 3 covered assistance is expended and whose income do not exceed the local HUD income limits set forth for low- or very low-income households.

The City/County of _____________ will certify Section 3 program participants who reside in the City/County of _____________ and who are seeking preference in training and employment by completing and attaching adequate proof of Section 3 eligibility, as required (see Exhibit 3 – Section 3 Participant Eligibility for Preference form).

1. All persons living in the City who meet the Section 3 eligibility guidelines can, by appointment, visit with the Section 3 Coordinator to complete a job readiness assessment.
2. Once this assessment is complete, the Section 3 Coordinator will determine if the individual meets the eligibility requirements and is job ready.
3. The Section 3 job readiness component is a part of the City/County of_________ commitment to provide economic opportunities and training to residents/eligible participants to become gainfully employed.

Resident Hiring Requirements

The City/County of _____________ has adopted the following scale for resident hiring that is to be used on all construction contracts, service contracts and professional service contracts that contain a labor component. It is expected that an appropriate number of residents with particular qualifications or a willingness to begin unskilled labor will be able to participate in contracted labor efforts.

<table>
<thead>
<tr>
<th>TOTAL LABOR DOLLARS USE TOTAL CONTRACT AMOUNT FOR SERVICE CONTRACTS</th>
<th>RESIDENT AS A % OF TOTAL LABOR DOLLARS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor dollars $25,000 but less than $100,000</td>
<td>10% of the labor dollars</td>
</tr>
<tr>
<td>$100,000, but less than $200,000</td>
<td>9% of the labor dollars</td>
</tr>
<tr>
<td>At least $200,000, but less than $300,000</td>
<td>8% of the labor dollars</td>
</tr>
<tr>
<td>At least $300,000, but less than $400,000</td>
<td>7% of the labor dollars</td>
</tr>
<tr>
<td>At least $400,000, but less than $500,000</td>
<td>6% of the labor dollars</td>
</tr>
</tbody>
</table>
At least $500,000, but less than $1 million  |  5% of the labor dollars  
At least $1 million, but less than $2 million |  4% of the labor dollars  
At least $2 million, but less than $4 million |  3% of the labor dollars  
At least $4 million, but less than $7 million  |  2% of the labor dollars  
$7 million or more  |  1 – ½% of the labor dollars  

With this sliding formula, it is expected that an appropriate number of public housing residents and neighborhood residents with particular qualifications or willingness to begin unskilled labor will be able to participate in contracted labor efforts. A prime contractor, through its subcontractor(s), may satisfy the Section 3 resident hiring requirement set forth above.

1. Contractor/subcontract or joint venture with a resident owned business. The business must be 51% of more owned by Section 3 residents; or
2. The contractor/cub-contractor that can demonstrate that at least 30% of the current employees of the company are Section 3 residents,
3. At least 30% of the contractor/sub-contractors employees are Section 3 residents, within 3 years of the date of first employment with the company;
4. The contractor/sub-contractor commits to subcontracting at least 25% of the total value of the contract to section 3 sub-contractors, as defined above, and to provide the necessary evidence.
5. The contractor/sub-contractor will incur the cost of providing skilled training for residents in an amount commensurate with the sliding scale set forth in the Resident Hiring Scale, or
6. The contractor/sub-contractor makes a contribution to an Education Fund to provide assistance to residents to obtain training. The level of contribution would be commensurate with the sliding scale set forth in the Resident Hiring Scale.

Preference For Section 3 Residents in Training and Employment Opportunities

In providing training and employment opportunities, generated from the expenditure of Section 3 activities to Section 3 residents, the following order of preference will be followed:

1. Section 3 residents from the service area or neighborhood in which the Section 3 covered project is located.
2. Participants in HUD Youthbuild Programs.
3. Homeless persons residing in the area service area or neighborhood in which the Section 3 covered project is located.
4. Other Section 3 residents.

Section 3 Residents Recruitment, Training, and Employment Goals

City/County of _______ will develop resources to provide training and employment opportunities to Section 3 program participants by implementing the following:

1. Training opportunities will be advertised by distributing flyers via mass mailings and posting in common areas of the housing developments as well as all local public housing management offices.
2. The resident councils, resident management corporations, as well as neighborhood community organizations will be contacted to request their assistance in notifying residents of the available training and employment opportunities.
3. Employment opportunities will be advertised by posting job vacancies in common areas of any local public housing developments as well as contacting resident councils, resident management corporations, and neighborhood community organizations.

4. A database will be developed of certified Section 3 residents of public housing and other Section 3 residents.

5. A database will be developed to maintain a skill assessment of all Section 3 residents of public housing and other Section 3 residents.

6. A database will be developed of eligible qualified Section 3 Business concerns to contact with respect to the availability of contract opportunities.

7. Relationships will be developed with local area employers in an effort to solicit job vacancies to determine skills needed in their workforce, thereby providing training to residents developing skills that will transfer into the external labor market.

8. A provision for a specific number of public housing or Section 3 program participants to be trained or employed by the contractor will be incorporated into the contract.

**Assisting Contractors to Achieve Section 3 Hiring and Contracting Goals**

The City/County of ______ will assist contractors with little or no experience in achieving Section 3 hiring and contracting goals by:

- Requiring the contractor to present a list, to the Section 3 Coordinator, of the number of subcontracting and/or employment opportunities expected to be generated from the initial contract.
- The Section 3 Coordinator will provide the contractor with a list of interested and qualified Section 3 residents for construction projects.
- The Section 3 Coordinator will provide contractor with a list of Section 3 business concerns interested and qualified for construction projects.
- The Section 3 Coordinator will inform contractor of known issues that might affect Section 3 residents from performing job related duties.
- The Section 3 Coordinator will review the new hire clause with contractors and subcontractors to ensure that the requirement is understood. It is not intended for contractors and subcontractors to terminate existing employees, but to make every effort feasible to employ Section 3 program participants before any other person, when hiring additional employees needed to complete proposed work to be performed with HUD (federal) funds.

**Preference for Contracting with Section 3 Business Concerns**

A Section 3 Business Concern is one of the following:

1. Businesses that are 51 percent or more owned by Section 3 residents;
2. Businesses whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the firm were Section 3 residents; or
3. Businesses that provide evidence of a commitment to subcontract in excess of 25 percent of the dollar amount of all subcontracts to be awarded to businesses that meet the qualifications described above.
The City/County of _____ ________, in compliance with Section 3 regulations, will require contractors and subcontractors (including professional service contractors) to direct their efforts towards contracts to Section 3 business concerns in the following order of priority:

1. Section 3 business concerns that provide economic opportunities for Section 3 residents in the service area or neighborhood in which the Section covered project is located.
2. Business concerns that carry-out HUD Youthbuild Programs.
3. Other Section 3 business concerns.

Contractors and subcontractors are expected to extend to the greatest extent feasible, efforts to achieve the numerical goals established by the City/County of________________.

Evidence of Section 3 Certification

Any business seeking Section 3 preference in the awarding of contracts or purchase agreements with the City/County of ________ shall complete the Certification For Business Concerns Seeking Section 3 Preference In Contracting and Demonstration of Capability form, which can be obtained from the Section 3 Coordinator. The business seeking Section 3 preference must be able to provide adequate documentation as evidence of eligibility for preference under the Section 3 Program. The certification form is Exhibit 4 to this plan.

Certifications for Section 3 preference for business concerns must be submitted to the Section 3 Coordinator of the City/County of ________ prior to the submission of bids for approval. If the Section 3 Coordinator previously approved the business concern to be Section 3 certified, then the certification can be submitted along with the bid.

Efforts to Award Contract Opportunities to Section 3 Business Concerns

The City/County of ________ will use the following methods to notify and contract with Section 3 business concerns when contracting opportunities exist.

1. Advertise contracting opportunities via newspaper, mailings, posting notices that provide general information about the work to be contracted and where to obtain additional information.
2. Provide written notice of contracting opportunities to all known Section 3 business concerns. The written notice will be provided in sufficient time to enable business concerns the opportunity to respond to the bid invitation.
3. Coordinate pre-bid meetings at which the Section 3 business concerns would be informed of upcoming contracting opportunities in advance.
4. Conduct workshops on contracting procedures to include bonding, insurance, and other pertinent requirements, in a timely manner in an effort to allow Section 3 business concerns the opportunity to take advantage of any upcoming contracting opportunities.
5. Contact the City/County of _____________________ Business Development Department, business assistance agencies, Minority and Women’s Business Enterprise (M/WBE) contractor associations and community organizations to inform them of contracting opportunities and to request their assistance in identifying Section 3 businesses.
6. Establish relationships with the Small Business Administration (SBA), Minority and Women’s Business Enterprise MWBE association, Community Development Corporations, and other sources as necessary to assist SPHA with educating and mentoring residents with a desire to start their own businesses.

7. Seek out referral sources in order to ensure job readiness for public housing residents through on-the-job-training (OJT) and mentoring to obtain necessary skills that will transfer into the external labor market.

8. Develop resources or seek out training to assist residents interested in starting their own businesses to learn to prepare contracts, prepare taxes, obtain licenses, bonding, and insurance.

**Contractor’s Requirements in Employing Section 3 Residents/Participants:**

Under the City/County of________ Section 3 Program, contractors, subcontractors, professional service providers/consultants, vendors and supplies are required to submit a Section 3 Opportunities Plan and Certification and to:

1. Provide employment opportunities to Section 3 residents/participants in the priority order listed below:
   
   a) **Category 1** – Section 3 Residents from the service area or neighborhood in which the Section 3 covered project is located,
   
   b) **Category 2** – Section 3 Participants in HUD Youthbuild Programs carried out in the service area or neighborhood in which the Section 3 covered project is located,
   
   c) **Category 3** – Section 3 Residents of Section 8 of the local Housing Authority as well as all other residents residing in the service area or neighborhood in which the Section 3 covered project is located. Section residents must meet the income guidelines for Section 3 preference (refer to Section 3 Income Limits).
   
   d) **Category 4** – Section 3 Residents/Homeless persons residing in the area service area or neighborhood in which the Section 3 covered project is located.
   
   e) **Category 5** - Other Section 3 residents/participants.

2. After the award of contracts, the contractor must, prior to beginning work, inform Section 3 participants of the development at which the work will be performed, by providing the following:
   
   a. Names of the Section 3 business concerns to be utilized,
   
   b. Estimates of the number of employees to be utilized for contract,
   
   c. Projected number of available positions, to include job descriptions and wage rates (construction wages consistent with Davis Bacon),
   
   d. Efforts that will be utilized to seek Section 3 participants.

3. Contractors must notify the Section 3 Coordinator of their interests regarding employment of Section 3 participants prior to hiring. The Section 3 Coordinator will ensure that the participant is Section 3 eligible, by assessing the Section 3 database to ensure job readiness. Additionally, the legal department will be contacted to ensure that the individuals are not involved in any legal proceedings against/with the City/County of________.

4. Submit a list of core employees (including administrative, clerical, planning and other positions pertinent to the construction trades) at the time of contact award. Document the performance of Section 3 participants (positive and negative), regarding punctuality, attendance, etc., and provide this information to the _________Section 3 Coordinator.

5. Immediately notify the Section 3 Coordinator of any problems experienced due to the employment of Section 3 participants.
6. Immediately notify the Section 3 Coordinator if a participant quits, walks off, or is terminated for any reason. The contractor must provide written documentation of all such incidents to support such decisions to the Section 3 Coordinator to determine if an investigation is warranted.

7. Businesses can use the Work Source Oregon – First Source Hiring Agreement in complying with the Section 3 requirements.

**Internal Section 3 Complaint Procedure**

In an effort to resolve complaints generated due to non-compliance through an internal process, the City/County of_______ encourages submittal of such complaints to its Section 3 Coordinator as follows:

1. Complaints of non-compliance should be filed in writing and must contain the name of the complainant and brief description of the alleged violation of 24 CFR 135.

2. Complaints must be filed within thirty (30) calendar days after the complainant becomes aware of the alleged violation.

3. An investigation will be conducted if complaint is found to be valid. The Section 3 Coordinator will conduct an informal, but thorough investigation affording all interested parties, if any, an opportunity to submit testimony and/or evidence pertinent to the complaint.

4. The Section 3 Coordinator will provide written documentation detailing the findings of the investigation of the___ ___. The___ __ _will review the findings for accuracy and completeness before it is released to complainants. The findings will be made available no later then thirty (30) days after the filing of complaint.

If complainants wish to have their concerns considered outside of the City/County of_______ a complaint may be filed with:

Assistant Secretary for Fair Housing and Equal Opportunity
United States Department of Housing and Urban Development
451 Seventh Street, SW
Washington, DC 20410

The complaint must be received not later than 180 days from the date of the action or omission upon which the complaint is based, unless the time for filing is extended by the Assistant Secretary for good cause shown.

**Enforcement**

To enforce the decision-making process pertaining to determining applicable percentages for resident hiring, enforcement strategies are set forth below.

During the post award or pre-bid conference, the objective shall be to impact critical Section 3 information to the contractor prior to commencement of the work/project. The following contract requirements shall be discussed in detail: (Non-construction contracts does not require Davis-Bacon)

- Davis-Bacon
- Minority and Women Owned Business Participation
- Resident Hiring Professional
Each representative will define specific functional requirements and require the contractor to certify its understanding of the terms and conditions of the contract as they pertain to Davis-Bacon, resident hiring and Minority and Women Owned Business participation.

**Monitoring and Enforcement Authority and Responsibility**

The function of monitoring and enforcing resident hiring will be carried out by the City/County of _________________Section 3 Coordinator, including all field activities.
DEFINITIONS

**Assistant** – the Assistant Secretary for Fair Housing and Equal Opportunity.

**Business Concern** – a business entity formed in accordance with State law, and which is licensed under State, county or municipal law to engage in the type of business activity for which it was formed.

**Contractor** - any entity which contracts to perform work generated the expenditure of Section 3 covered assistance, or for work in connection with a Section 3 covered project.

**Employment Opportunities Generated by Section 3 Covered Assistance** – all employment opportunities generated by the expenditure of Section 3 covered public assistance (i.e., operating assistance, development assistance and modernization assistance, (as described in Section 135.3 (a) (1)). With respect to Section 3 covered housing and community development assistance, this term means all employment opportunities arising in connection with Section 3 covered projects (as described in Section 135.3 (a) (2)), including management and administrative jobs. Management and administrative jobs include architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups; and jobs directly related to administrative support of these activities, e.g., construction manager, relocation specialist, payroll clerk, etc.

**Housing Authority** (HA) – Public Housing Agency.

**Housing Development** – low-income housing owned, developed, or operated by public housing agencies in accordance with HUD’s public housing program regulations codified in 24 CFR Chapter IX.

**HUD Youthbuild Programs** – programs that receive assistance under subtitle D of Title IV of the National Affordable Housing Act, as amended by the Housing and Community Development Act of 1992 (42 U.S.C. 12899), and provide disadvantaged youth with opportunities for employment, education, leadership development, and training in the construction or rehabilitation of housing for homeless individuals and members of low- and very low-income families.

**JTPA** – The Job Training Partnership Act (29 U.S.C. 1579 (a)).

**Low-income person** – families (including single persons) whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of the Secretary’s findings that such variations are necessary because of prevailing levels of construction costs or unusually high or low-income families.

**Metropolitan Area** – a metropolitan statistical area (MSA), as established by the Office of Management and Budget.

**New Hires** – full-time employees for permanent, temporary or seasonal employment opportunities.

**Recipient** – any entity which receives Section 3 covered assistance, directly from HUD or from another recipient and includes, but is not limited to, any State unit of local government, PHA, or other public body, public or private nonprofit organization, private agency or institution, mortgagor, developer, limited dividend sponsor,
builder, property manager, community housing development organization, resident management corporation, resident council, or cooperative association. Recipient also includes any successor, assignee or transferee of any such entity, but does not include any ultimate beneficiary under the HUD program to which Section 3 applies and does not include contractors.

**Section 3** – Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u).

**Section 3 Business Concern** – a business concern,

1) That is 51 percent or more owned by Section 3 resident: or
2) Whose permanent, full-time employees include persons, at least 30 percent of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents; or
3) That provides evidence of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontractors to be awarded to business concerns that meet the qualifications set forth in paragraphs 1 or 2 above.

**Section 3 Covered Assistance** –

1) public housing development assistance provided pursuant to Section 5 of the 1937 Act;
2) public housing operating assistance provided pursuant to Section 9 of the 1937 Act;
3) public housing modernization assistance provided pursuant to Section 14 of the 1937 Act;
4) assistance provided under any HUD housing or community development program that is expended for work arising in connection with housing rehabilitation, construction, or other public construction project (which includes other buildings or improvements, regardless of ownership).

**Section 3 Clause** – the contract provisions set forth in Section 135.38.

**Section 3 Covered Contracts** – a contract or subcontract (including a professional service contract) awarded by a recipient or contractor for work generated by the expenditure of Section 3 covered assistance, or for work arising in connection with a Section 3 covered project.

**Section 3 Covered Project** - the construction, reconstruction, conversion or rehabilitation of housing (including reduction and abatement of lead-based paint hazards), other public construction which includes buildings or improvements (regardless of ownership) assisted with housing or community development assistance.

**Section 3 Resident** – a public housing resident or an individual who resides in the metropolitan area or nonmetropolitan county in which the Section 3 covered assistance is expended and who is considered to be a low-to very low-income person.

**Subcontractor** – any entity (other than a person who is an employee of the contractor) which has a contract with a contractor to undertake a portion of the contractor’s obligation for the performance of work generated by the expenditure of Section 3 covered assistance, or arising in connection with a Section 3 covered project.

**Very low-income person** – families (including single persons) whose income do not exceed 50 per centum of the median family income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower then 50 per centum of the median for the area on the basis of the Secretary’s findings that such variations are necessary because of unusually high or low family incomes.
SECTION 3 CLAUSE

All Section 3 covered contracts shall included the following clause (referred to as the Section 3 Clause):

A. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD’s regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

C. The contractor agrees to send to each labor organization or representative or workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers’ representative of the contractor’s commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

D. The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor’s obligations under 24 CFR part 135.

F. Noncompliance with HUD’s regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

G. Contractor shall complete THE REQUIRED Section 3 report form 60002 and submit it to the City/County with the final construction pay estimate for the project.
EXHIBIT 3

The City/County of _________________________

RESIDENT EMPLOYMENT OPPORTUNITY DATA

ELIGIBILITY FOR PREFERENCE

CERTIFICATION FORM

Eligibility for Preference
A section 3 resident seeking the preference in training and employment provided by this part shall certify, or submit evidence to the recipient contractor or subcontractor, if requested, that the person is a Section 3 resident, as defined in Section 135.5. (An example of evidence of eligibility for the preference is evidence of receipt of public assistance, or evidence of participation in a public assistance program.)

Certification for Resident Seeking Section 3 Preference in Training and Employment
I, _____________________________________, am a legal resident of the City/County of _________________________________ and certify that I meet the income eligibility guidelines for a low- or very-low-income person as published on the reverse.

My permanent address is: _________________________________________________________
________________________________________________________

I have attached the following documentation as evidence of my status:

a. Copy of lease demonstrating proof of residency in a public housing development
b. Copy of receipt of public assistance such as a Section 8 certificate or voucher
c. Copy of evidence of participation in a public assistance program such as Youthbuild, JTPA, Job Corps etc.
d. Income tax records
e. Other

Signature:________________________________________

Print Name:____________________________________ Date:_____________________________
### SECTION 3 INCOME LIMITS

All residents of public housing developments qualify as Section 3 residents. Additionally, individuals residing in the City/County of ______________ who meet the income limits set forth below, can also qualify for Section 3 status.

A picture identification card and proof of current residency is required.

<table>
<thead>
<tr>
<th>Number in Household</th>
<th>Very Low Income</th>
<th>Low Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 individual</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 individual</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 individual</td>
<td></td>
<td></td>
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<tr>
<td>4 individual</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 individual</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 individual</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 individual</td>
<td></td>
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</tr>
<tr>
<td>8 individual</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
EXHIBIT 4

CERTIFICATION FOR BUSINESS CONCERNS SEEKING SECTION 3 PREFERENCE IN CONTRACTING AND DEMONSTRATION OF CAPABILITY

Name of Business _______________________________________________________________

Address of Business _____________________________________________________________

Type of Business:  ☐ Corporation ☐ Partnership ☐ Sole Proprietorship ☐ Joint Venture

Attached is the following documentation as evidence of status:

_____ For Business claiming status as a Section 3 resident-owned enterprise:
  ① Copy of resident lease
  ② Copy of evidence of participation in public assistance program
  ③ Copy of receipt of public assistance
  ④ Other evidence

_____ For business entity as applicable:
  ① Copy of Articles of Incorporation
  ② Assumed Business Name Certificate
  ③ List of owners/stockholders and % ownership of each
  ④ Latest Board minutes appointing officers
  ⑤ Organization chart with names and titles and brief function statement
  ⑥ Additional documentation

_____ For business claiming Section 3 status by subcontracting 25 percent of the dollar awarded to qualified Section 3 business:
  ① List of subcontracted Section 3 business(es) and subcontract amount

_____ For business claiming Section 3 status, claiming at least 30 percent of their workforce are currently Section 3 residents or were Section 3 eligible residents within 3 years of date of first employment with the business:
  ① List of all current full-time employees
  ② List of employees claiming Section 3 status
  ③ PHA/IHA Residential lease less than 3 years from day of employment
  ④ Other evidence of Section 3 status less than 3 years from date of employment

_____ Evidence of ability to perform successfully under the terms and conditions of the proposed contract:
  ① Current financial statement
  ② Statement of ability to comply with public policy
  ③ List of owned equipment
  ④ List of all contracts for the past two years

(Corporate Seal)

Authorizing Name and Signature

Attested by:_________________________________
EXHIBIT 5

INSTRUCTIONS FOR COMPLETING THE SECTION 3 OPPORTUNITIES PLAN (SERVICE & PROFESSIONAL CONTRACTS)

The purpose of Section 3 is to ensure that jobs and economic opportunities generated by HUD financial assistance for housing and community development programs shall be directed to low and very low income persons, particularly those who are recipients of government assistance for housing and business concerns which provide economic opportunities to low and very low income persons.

Section I

The Section 3 Opportunities Plan is to be completed for construction and professional service contracts. There are four (4) ways in which Section 3 can be fulfilled. They are listed in order of preference:

1. Subcontract or joint venture with a Section 3 resident owned business. The business must be 51% or more owned by Section 3 residents or Subcontractor/joint venture with a business whose permanent full-time employees include persons at least 30% of whom are currently Section 3 residents or within 3 three years of the date of first employment with the business concern were Section 3 residents, or
2. Direct hiring Section 3 residents of the service area or the neighborhood in which the covered project is located, or
3. Incur the cost of providing skilled training for residents in an amount commensurate with the sliding scale set forth. Such training shall be determined after consultation with the Section 3 Coordinator of the City/County of _________________ or,
4. Contribute to a Section 3 resident educational fund in an amount commensurate with the sliding scale included in the Section 3 Conditions.

If a prime contractor is unable to satisfy the Section 3 resident hiring requirements per the above, the requirements may be satisfied through any subcontractors that may be involved in the project:

1. If the (sub)contractor has identified a resident owned business or a business which employs 30% or more Public Housing or Neighborhood residents, this paragraph is to be completed by indicating the number of resident owned businesses that will be used on the contract/spec number shown at the end of the paragraph.
2. If the (sub)contractor plans to hire Public Housing or Neighborhood residents to work for its company, paragraph two (2) must be completed with the contract/spec number and the percentage of compliance in hiring the resident(s).

For example, if your contract amount is $100,000.00, the Section 3 dollar amount that must be expended is 10% of your labor dollars or $10,000.00. If the whole dollar amount is to be expended on the resident's salary, then 100% is to be inserted on the percent line. If a percentage amount less than 100% will be expended on the resident's salary, that amount must be inserted on the line and the remaining percentage must be expended through subcontracting/joint venturing with a resident owned business or a business that employs 30% or more residents, or placed into ________ Section 3 Resident Educational Fund. In which case, the corresponding paragraph must be completed.

3. If the (sub)contractor has exhausted the first two (2) options, then the full amount of the contractor's Section 3 obligations will be placed into ________ Resident Educational Fund, in which case
paragraph three (3) must be completed and paragraphs one (1) and two (2) will contain zeroes in the percentage lines.

Section II

The second portion of the Section 3 Opportunities Plan begins with the specification or request for proposal title and number.

Section III

The third section is to be completed by listing current staff to be used to complete the work bid upon.

1. List the job titles.
2. Complete the Needed column if additional staff will be required to fulfill the classification,
3. In the Total column, list the total number of staff plus the number needed,
4. In the ________ and low and very low income area residents (LIAR) columns, list the number of current staff who are residents of ________ public housing, or who are low or very low income neighborhood residents,
5. In the To Be Filled column, list the number of positions that fit into the low and very low-income ________ public housing residents ________ and low and very (LIAR) who will be hired.
6. In the Hiring Goal column, list the number of ________ Public Housing residents or LIAR you intend to hire.

Section IV

The final section is to be completed after the contract has been awarded, interviews have taken place and residents have been hired. The completed Section 3 Opportunities Plan must be submitted to the City/County of ______________Section 3 Coordinator.

Each contractor is required to attend a pre-construction conference with the City/County’s Section 3 coordinator where contractual obligations will be explained, the contractor’s Section 3 dollar amount will be determined, and the contractor’s hiring goals will be discussed. The Section 3 coordinator will refer qualified residents to be interviewed by the contractor.

The Section 3 Opportunities Plan that is submitted with the QBS/RFQ/RFP/IFB and the final copy that is submitted to the Section 3 Coordinator must be signed and include the title of person executing the plan.
SECTION 3 OPPORTUNITIES PLAN

Business Opportunities and Employment Training of the City/County of _____________ Public Housing
Residents and Low and Very Low Income Neighborhood Residents

Section I. Opportunities Plan

The Contractor has identified ________ Section 3 resident owned business(es) or ________
business(es) which employ 30% or more Section 3 residents to comply with ________% of its Section 3
requirements covered under Contract# _____________. (Option 1)

Alternately, the Contractor hereby agrees to comply with all the provisions of Section 3 as set forth in 24 CFR 135.1
et seq. and this City/County of _____________ Section 3 plan implemented through Resolution #______dated _________.
The Contractor hereby submits this document to identify employment opportunities for Section 3 public housing
residents and low and very low-income area residents, during the term of the contract between the Contractor and
the City/County of ___________. The Contractor affirms that the jobs identified shall be for meaningful employment that
may or may not be related to the scope of services covered under Contract #_______. The Contractor has
committed to employ the following in order to comply with ________% of its Section 3 requirements. (Option 2)

The above percentage(s) for Option 1 and 2 equal(s) 50% of the Contractor's Section 3 obligations. Option three (3)
on page 1 of the instructions equal 25% of compliance and Option four (4) on page 1 of the instructions equals 25%
of compliance. You may choose one option to comply or all; however, total compliance must equal 100%. The
Contractor hereby agrees by signing below that any remaining percentages will be deducted from payouts placed in
the __________ Section 3 Educational Fund.

Section II. Labor Survey

Project Title:___________________________________________
Job Title:______________________________________________
Local Contract/Agreement Number:________________________

<table>
<thead>
<tr>
<th>Job Title (1)</th>
<th>Needed (2)</th>
<th>Number of Positions</th>
<th>Hiring Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Filled (3)</td>
<td>Total (a)</td>
<td>LICSDR(b)</td>
</tr>
</tbody>
</table>

21
Section III. Resident List

Section 3 resident employee information (jobs to be filled)

<table>
<thead>
<tr>
<th>Job Title</th>
<th>LICSPHAR or LIAR Name</th>
<th>Address</th>
<th>Social Security Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

LISPHAR= Low and very low income public housing authority resident
LIAR= Low and Very low income area resident

Please check the Option(s) that describe your contracting efforts:

- Option 1: Subcontract with Section 3 Business(es) – 25%
- Option 2: Hire Section 3 residents/participants – 25%
- Option 3: I have a training program in place and am willing to train ________ residents – 25%
- Option 4: Contribute to the ________ training/educational fund for resident training – 25%

In the event I am awarded the contract, I have the option to submit my check in the compliance amount of the start of contract date, or allow ________ to deduct payment from my draw requests. (Compliance amount is based upon the labor dollars of the contract award.)

You may comply by choosing one or all options. Remember your compliance must be equal to 100% as noted on page 1, paragraph three (3), or any remaining percentages will be deducted from payouts and placed in the ________ resident training/educational fund account.

The failure of the contractor to comply with the above-approved plan shall be a material breach of the contract.

________________________________________
Contractor’s Signature and Title

Date: _________________________
SECTION 3 OPPORTUNITIES PLAN CERTIFICATION

NAME OF PRIME CONTRACTOR/ PROFESSIONAL SERVICES PROVIDER: _______________________________

Local contract/Agreement #: __________________________________________________________________

CONTRACT Name: ________________________________________________________________

WARNING: THIS DOCUMENT IS REQUIRED FOR ALL CONSTRUCTION OR LABOR RELATED
PROCUREMENTS AND PROFESSIONAL SERVICE AGREEMENTS.

The Contractor hereby agrees to comply with all the provisions of Section 3 as set forth in 24 CFR 135.38
implementing Section 3 requirements. The contractor hereby submits this Section 3 Opportunities Plan.

The Contractor shall provide a status report identifying its progress in meeting the Section 3 goals established in this
Section 3 Opportunities Plan on a quarterly basis throughout the contract period. The quarterly status report shall be
submitted no later than 10 days after the end of each calendar quarter of the contract (e.g., April 10 for calendar
quarter January 1 to March 31). The status report shall be in at least the same level of detail as the approved Section
Opportunities Plan. For any goal not met, the report shall identify any other economic opportunities, which the
contractor has provided, or intend to provide to Section 3 and neighborhood residents.

The failure of the Contractor to comply with the approved plan shall be a material breach of the contract.

Each Bidder/Proposer for a construction or labor related contract and professional services agreement must
complete the Section 3 Opportunities Plan and submit all relevant information required herein. A prime contractor,
through its’ subcontractors may satisfy the Section 3 Resident Hiring Requirements. Please complete the Skill Needs
Table in Section 1 of Section 3 Opportunities Plan in the following columns.

1. Indicate each category of employment for all phase of this contract;
2. The number of positions which will be needed in each category;
3. How many of those positions are currently filled;
   a. The number filled by neighborhood residents, excluding _______________________
      and ____________________ residents;
   b. The number filled by Public Housing residents;
   c. How many positions need to be filled;
4. Indicate your goal for the number of positions you intend to fill with:
   a. Section 3 Residents
   b. Low and Very low income area residents.

NOTE: The minimum of trainees is that which can reasonably be utilized in each occupation, and no less than the
number established by the U.S. Secretary of Labor for construction and non-construction labor related occupations.
The contractor shall fill all vacant positions with low-income persons (earning less than 80% of the median income in
the City/County of ________________ and these positions shall not be filled immediately prior to undertaking work in
order to circumvent regulations as set forth at 24 C.F.R. Part 135 et seq; as amended.
II. SECTION 3 BUSINESSES SUBCONTRACTING OPPORTUNITIES

In a one (1) page letter on your company’s letterhead:

1. Indicate the goals, expressed in terms of percentage of planning subcontracting dollars, for the use of Section 3 business concerns as subcontractors.

2. A statement of the total dollar amount to be subcontracted, total dollar amount to be subcontracted to Section 3 business concerns for building trades, and total dollar amount to be subcontracted to Section 3 business concerns for other than building trades work (maintenance, repair, modernization and redevelopment).

3. A description of the method used to develop the goals above and the efforts to be undertaken by the Contractor to meet those goals.

Acknowledged by:

__________________________________________
(President or Authorized Officer)

Date:_______________________________________